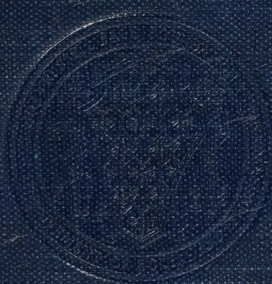


EMPLOYEES'  
REPRESENTATION  
IN  
STEEL WORKS



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# EMPLOYES' REPRESENTATION IN STEEL WORKS

A STUDY OF  
THE INDUSTRIAL REPRESENTATION PLAN  
OF THE MINNEQUA STEEL WORKS OF THE  
COLORADO FUEL AND IRON COMPANY

BY

BEN M. SELEKMAN

DEPARTMENT OF INDUSTRIAL STUDIES  
RUSSELL SAGE FOUNDATION



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## FOREWORD TO INDUSTRIAL RELATIONS SERIES

BY MARY VAN KLEECK

*Director of Industrial Studies, Russell Sage Foundation*

“WAGE-EARNERS’ participation in management” is the general title under which the Department of Industrial Studies of the Russell Sage Foundation is carrying forward a series of investigations of new experiments in the organization of relations between employers and employes in industrial enterprises in the United States.<sup>1</sup>

The series was planned in 1919 after interviews with a number of persons, including engineers, social workers, investigators, government officials, employers, and representatives of labor, whose advice had been sought as to how the Foundation could most effectively contribute toward the improvement of human relations in industry. The consensus of opinion seemed to be that there was great need to record the experience of those industries in which definite effort had been made to give wage-earners a voice in matters affecting their employment. These efforts had taken forms varying from conferences between employers and employes on wages, hours, and other conditions of employment to genuine participation by the workers in management.

These experiments include many kinds of organiza-

<sup>1</sup> The studies thus far made by the Foundation, or in progress, include the Industrial Representation Plan of the Colorado Fuel and Iron Company in its coal mines and in its steel works, the Partnership Plan of the Dutchess Bleachery, the Works Council of Rock Island Arsenal, and the employment policies of William Filene’s Sons in their store in Boston.



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tion under many different names, but roughly they may be grouped into two major types; (1) those which are limited to a single company or to one plant, as are practically all of the forms known as employes' representation plans; and (2) those which may include an entire industry, with machinery for joint negotiation between groups of employers on the one hand and trade unions of employes on the other, such as are found in the women's garment trades and the mining industry.

Neither the typical plan for employes' representation, nor the usual trade union can be characterized as aiming primarily to provide opportunity for wage-earners to participate in management. Nevertheless the object of our interest in all these experiments is the status they give to wage-earners as measured by the workers' opportunity to share in decisions affecting industrial relations. We are not primarily concerned with the conditions established, the rates of wages paid or the hours worked except as these are the result of a larger influence on the part of employes. Our chief concern is to find out by what procedure conditions have been established and, particularly, how effective the voice of the workers has been in the process of determining them. Beyond this lies the important question of how an industrial enterprise can be conducted so that the relations between employers and employes shall square with American ideals of democracy and brotherhood. Co-operation is sometimes a vague word to conjure with, but in its accurate meaning of "working together" it represents not only an ideal but a practical necessity in carrying on the specialized and complicated economic processes of modern industrial society. It is to give the more substantial content of actual experience to our aspirations

## FOREWORD

for more satisfactory relationships in industry that studies of typical experiments are needed.

As to the desirability of better co-operation in industry, no important difference of opinion can be found. As to the best methods of bringing it about, however, opinions are many and at times bitterly at variance. A very effective way of stimulating better co-operation between workers and managerial officials in any industry or in any single establishment is to show them how it is being achieved elsewhere. One of the best means of correcting the prejudices of uninformed public opinion, which often increases antagonism between employers and employes, is to focus attention, not upon a particular conflict which may at the moment be distracting men's minds, but upon the practical steps that are being taken to establish the relations of labor and management regularly and permanently on a democratic, just and sound basis, with proper regard also for the interests of the consumer. We are not interested merely in a record of success. An experience which reveals mistakes and difficulties and points the way toward more effective next steps is also a genuine contribution to progress.

To accomplish practical results a study of such experimental steps in human relations must interpret with equal accuracy the attitude of mind of the workers—their aims, their motives and their standards—and the problems and difficulties of management. A true record of actual procedure and its results should make it possible for those who are now responsible for policies in industry to learn from one another's experience. To contribute to that kind of exchange of experience is the aim of the Foundation in these studies of industrial relations.





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## SYNOPSIS

### CHAPTER I—INTRODUCTION OF EMPLOYEES' REPRESENTATION

The method of introducing the Industrial Representation Plan in the Minnequa Steel Works is told in this chapter. The Minnequa Steel Works, a typical steel mill, is operated by the Colorado Fuel and Iron Company, in Pueblo, Colorado. It manufactures 2 per cent of the total steel output of the country, and normally employs 6,500 men. The Industrial Representation Plan was introduced in this steel works three months after a similar plan had been put into operation in the coal mines of the company. But conditions preceding the introduction of the plans were entirely different. In the mines the plan was introduced after the coal strike of 1913 and 1914. In the Minnequa Steel Works conditions were peaceful. Moreover, the workers had made no demand for any machinery which would permit them to present their grievances to the management.

Two meetings were called by President Welborn to discuss the contemplated plan. These meetings were attended by elected representatives of the wage-earners and by management officials appointed by the president of the company. The objectives of the company were outlined in detail in the first meeting by President Welborn, and are quoted in this chapter. In brief, Mr. Welborn stated that employes were partners in the development of a business, and that, therefore, their interests and those of the stockholders and managing officials were "mutual." He made it clear that the plan, which was being introduced, should not be regarded as a criticism of the past methods of superintendents and other company officials in their dealings with employes. Its purpose was "a more effective co-operation" than had hitherto existed. After the employes' representatives and company officials had approved of the plan, as submitted by the management in the second joint meeting, ballot boxes were taken through the works and a secret vote was polled. Seventy-two and nine-tenths per cent of the votes cast were in favor of the plan. The plan went into effect May 6, 1916.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

### CHAPTER II—STEEL MAKING AND HUMAN RELATIONS

This chapter describes the salient features of the steel industry, so that a proper background may be furnished from which to evaluate the Industrial Representation Plan. The steel industry is operated by gigantic machine processes and wage-earners hold a secondary place. Large amounts of capital are needed to finance the business and only big corporations prevail in it. During the twenty-year period, 1899 to 1919, the total capital invested in the steel works grew to more than five times the original amount, while the number of wage-earners employed little more than doubled.

Many of the basic processes in the industry must be continuous, because the metal must be highly heated or molten while making steel. This necessity for continuous operation gave rise to the twelve-hour day and the seven-day week. Although the steel industry is in the hands of a few big corporations and although the largest of these, the United States Steel Corporation, by virtue of its size, determines wages, prices, and other important standards of the industry, the workers have no means of participating in determining questions affecting their employment and the conditions under which they work. Labor unions have been unsuccessful in their efforts to organize this huge industry.

It was especially significant, therefore, that the Colorado Fuel and Iron Company initiated a plan of employees' representation in so mechanical an industry.

### CHAPTER III—THE INDUSTRIAL REPRESENTATION PLAN

The essential features of the plan are outlined in this chapter. The steel works is divided into eleven divisions. Each division is entitled to at least two representatives. The method of nomination and election is described. The duty of a representative is to act on behalf of his fellow-employees "with respect to matters pertaining to their employment, working and living conditions, adjustment of differences and such other matters of mutual concern and interest as relations within the industry may determine."

Joint conferences of all the employees' representatives and of an equal number of management officials are held once every four months. The purpose of these conferences is to receive the reports of joint committees, discuss freely such matters of "mutual interest" as the promotion of increased efficiency and production, improvement of working and

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living conditions, enforcement of discipline, and the furtherance of friendly and cordial relations between the officials and employees of the company.

Four joint committees are elected at the first conference. Each committee consists of 12 members, 6 of whom are elected by the employees' representatives, and 6 appointed by the president of the company. These committees consider questions relating to: (1) Industrial Co-operation and Conciliation; (2) Safety and Accidents; (3) Sanitation, Health and Housing; (4) Recreation and Education.

The functions of the president's industrial representative are described. An account is given of the procedure provided for the adjustment and arbitration of grievances. The provisions of the trade agreement with regard to working conditions are examined. Under this agreement the company guarantees that the hours of work of its employees "shall not at any time be less favorable . . . than the hours of labor in similar operations conducted by the company's competitors." The same principle governs the determination of wage rates. The company undertakes to maintain "a similarity of rates" with competing companies. If competitors change rates, the management of the Colorado Fuel and Iron Company is to call a joint conference of the employees' representatives and officers of the company to make the necessary adjustment in the scale in the Minnequa Steel Works. The implications of this provision to follow competitors' rates in an industry in which the workers have no national organization are analyzed. The scope of the representation accorded to the employees under the plan is also examined.

## CHAPTER IV—INTRODUCTION OF THE EIGHT-HOUR DAY

The history of the movement for the shorter work-day in the steel industry, and especially in the United States Steel Corporation, is briefly traced in this chapter. The events leading to the abolition of the twelve-hour day in 1923 are narrated. The Colorado Fuel and Iron Company was a pioneer in abolishing the long shift, preceding the United States Steel Corporation by five years. The actual eight-hour day was introduced in the Minnequa Steel Works in November, 1918, at a time when the United States Steel Corporation introduced the basic eight-hour day, which meant that the men employed by the latter corporation con-

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

tinued to work twelve hours, but were paid time and a half for all time worked over eight hours.

The procedure which the management followed under the Industrial Representation Plan in introducing the eight-hour day is described. Under the memorandum of agreement, which was adopted with the plan, the company agrees that the hours of work of its employes shall not be less favorable than those worked by the employes of its competitors. Hence, when the United States Steel Corporation established the basic eight-hour day in the winter of 1918, the management of the Colorado Fuel and Iron Company, after due investigation, called separate meetings of the employes' representatives of each of the various divisions and offered to introduce the basic eight-hour day in the Minnequa Steel Works.

After the management had proposed the basic eight-hour day to several departments, the representatives from the mechanical department were called in. These men proposed the alternative of an actual eight-hour day. After some discussion, the management agreed to put the mechanics on an actual eight-hour day. When the employes from other departments heard this they immediately asked for the actual instead of the basic eight-hour day. After meeting again with the employes' representatives, the management agreed to introduce the actual eight-hour day throughout the Minnequa Steel Works. This was the first time that the actual eight-hour day was put into effect in all departments of a steel works. A number of factors were responsible for the introduction of the eight-hour day in the Minnequa Steel Works, but the machinery provided in the Industrial Representation Plan enabled the employes to take the initiative in securing it. Since the adoption of the eight-hour shift in the Minnequa Steel Works, representatives of the workers as well as company officials have spoken enthusiastically about the success of the shorter day.

## CHAPTER V—DETERMINATION OF WAGES

This chapter analyzes in detail the methods followed by the company in establishing wage rates, as well as in making specific wage adjustments. As previously stated, the company agreed to maintain a similarity of rates with those paid by its competitors. The United States Steel Corporation being the dominant producer of the industry, deter-

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mines what the basic rates should be. Consequently, when officials of the Colorado Fuel and Iron Company heard in the press or elsewhere that the Steel Corporation had made an increase in wages, they would write to ascertain exactly what the increase was, call a meeting of the representatives and submit to them a revised wage schedule for the Minnequa Steel Works. In practice this schedule was usually approved by the representatives.

A different procedure was followed for the first time in February, 1920. A joint committee consisting of three employees' representatives and the general manager of the company was appointed to make a personal investigation in eastern plants, so as to compare wage rates paid there with those obtaining in the Minnequa Steel Works. This committee made the investigation and found in general that the rates paid in the Minnequa Steel Works were similar to those paid by competitive companies.

After returning to Pueblo, the committee revised the wage rates wherever it was necessary to do so in order to make them conform with competitors' rates. This was the first time since the establishment of the plan that a joint committee had been appointed to study and revise wages.

The procedure which the company followed in decreasing wages in 1921 is also told. A number of specific wage grievances within the plant and the method of their adjustment are described.

In general the employees felt that the usual procedure followed by the company in revising wage rates did not afford them any real participation. They pointed out that only once since the inauguration of the plan did they effectively participate in determining wage rates, and that was when the joint committee of employees and management was appointed in February, 1920, to investigate and revise wage rates. Ordinarily the steel workers and their representatives do not know the actual rates paid by competing companies, nor are they certain that the jobs, though having the same name in the Minnequa plant as in competing companies, entail the same quantity and quality of work.

At the end of the chapter a contrast is drawn between the method followed in the bituminous coal industry and in the steel industry in determining rates of pay for the industry as a whole. In the coal industry operators of the Central Competitive Coal Field and the representatives of the



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United Mine Workers meet periodically to agree on changes in rates of pay as well as other conditions of work. These changes are followed by the Colorado Fuel and Iron Company in determining rates to be paid to its miners. In the steel industry, on the other hand, the United States Steel Corporation determines what the rates of pay in the industry should be without consulting any of its employes or any national union of wage-earners. Hence, the workers in the industry as a whole do not in any way share in the determination of wages. Consequently, the steel workers employed by the Colorado Fuel and Iron Company have no assurance that an adequate wage will be paid them when the management follows competitive standards.

### CHAPTER VI—ADJUSTMENT OF GRIEVANCES

One of the purposes of the plan was to afford the workers a satisfactory procedure for adjusting their grievances. This chapter analyzes in detail the types of grievances and the method by which they have been adjusted.

Under "suspensions and discharges" it is shown that in the early days of the plan the management was reluctant to have the workers review discharges and suspensions made by foremen and other management officials. The workers, however, insisted on their right to make such reviews and by 1919 not only was the right clearly recognized, but the company agreed that any employe, when reinstated, would be paid for any time lost.

The minutes of the president's industrial representative, as well as those of joint committees, are quoted to illustrate the adjustment of grievances relating to seniority. The workers have been discontented with the failure of the company to follow the principle of seniority, that is, to promote the employe oldest in service, provided that the employe is able to hold the job. The company has not centralized employment, promotion and discharge in a personnel department, and this is responsible for a suspicion on the part of many workmen that the foremen and other officials are not always free from favoritism when making promotions.

A controversy between the employes' representatives and the management with regard to the rules for paying for overtime work is analyzed. The workers are dissatisfied with the forty-five-year age limit which is part of a pension plan of the company.

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### CHAPTER VII—INITIATIVE OF THE WORKERS

One of the objectives of the investigation was to learn to what extent the employes displayed initiative in using the machinery provided by the plan, and to what extent the management consulted the workers before making changes which involved their interests as employes of the company.

The management has not adopted an invariable practice of consulting the representatives before making important changes in working conditions. Thus in January, 1921, the management changed the beginning of the day shift from 8 o'clock to 7 o'clock without consulting all the employes' representatives. The employes protested and the time of starting the shift was changed to 8 o'clock. Nevertheless, the employes' representatives were critical of the company because they were not consulted in the first place before any change was made.

The procedure followed in the appointment of safety committees varies in the different departments. Certain improvements which ought to be made both in the work of the safety committees and in the safety equipment of the steel works are pointed out.

This chapter describes how the employes' representatives improved the medical service of the steel works through the Joint Committee on Industrial Co-operation and Conciliation, both in the dispensary provided in the steel works and in the Minnequa hospital maintained in Pueblo by the company for its employes. The efforts of the employes' representatives to have prices reduced in the company store maintained by the company are also told.

At the end of the chapter the attitude of representative steel workers as well as company officials toward the plan in general is summarized. Two tables are given to show the number and types of questions brought up under the plan. The investigators conclude that at the time of their study the steel workers had not yet gained sufficient confidence in the Industrial Representation Plan to bring their grievances freely to the various channels established under it. In general the steel workers stated that the foremen and superintendents were opposed to the plan because these officials felt that the employes' representatives took their power away from them. We interviewed steel workers in 1919 and 1920. In the latter year the employes' representatives thought that the management had become much more co-

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

operative in administering the plan, and that this change of attitude was due to the national strike of steel workers in 1919, in which the Minnequa steel workers participated. Company officials, on the other hand, thought that since the strike the employees' representatives had become more co-operative.

### CHAPTER VIII—STRIKE OF THE MINNEQUA STEEL WORKS

The strike of the Minnequa steel workers which began in September 22, 1919, was part of the national steel strike organized by the interested unions affiliated with the American Federation of Labor. The organizing work in the Minnequa Steel Works was done almost entirely by employes of the company, and many of the active organizers were employes' representatives under the Industrial Representation Plan. The company did not oppose attempts to organize its employes, thinking that the men were satisfied with the conditions obtaining in the Minnequa plant under the Industrial Representation Plan, and that, therefore, they would not join in a national strike. In September 22, 1919, when the national steel strike took effect, however, all but a few hundred of the 6,500 employes walked out. The reasons for this response to the strike are analyzed in this chapter. It was due in part to the large number of unadjusted grievances which many of the men had, partly to the feeling on the part of many employes' representatives that under the plan they had no real power to compel the management to grant conditions which in the opinion of the workers they ought to have, partly to the fact that in 1918 the company had signed an agreement with its railway employes, and partly to the fact that the Minnequa steel workers wished to participate in the national effort to secure representation for wage-earners in determining what nation-wide standards of pay and other conditions of work should be. The history of the strike and the statements issued both by the strike committee in Pueblo and the management are given.

The committee offered to end the strike in Pueblo if the management would agree to recognize the unions, and to negotiate with them concerning all demands made after the national strike was ended. The management, on the other hand, stated that it would continue to operate under the Industrial Representation Plan, and would not substitute a

## SYNOPSIS

union agreement for this plan. The company closed down the steel works when the strike began. On November 9, a little over six weeks after the steel strike had taken place, the company began to engage workers. The strike was called off on January 5, 1920. The general absence of violence in this strike is noted.

Although the strike was lost, the men felt that the management displayed a much more co-operative attitude in adjusting grievances after than before the strike. The strike, moreover, has further significance in that it shows that national forces and movements in the steel industry affect not only wages, hours of work and prices, but also the attitude and behavior of the workers.

### CHAPTER IX—TRADE AGREEMENT WITH THE RAILWAY EMPLOYEES

In addition to maintaining the Industrial Representation Plan at the Minnequa Steel Works and at its coal mines, the Colorado Fuel and Iron Company has also operated its transportation properties since December 12, 1918, under a trade agreement which covers working relationships between the company and its railroad employees. This agreement was negotiated by the vice-presidents respectively of the Brotherhood of Locomotive Firemen and Enginemen, and the Brotherhood of Railroad Trainmen. Specifically, this agreement is with the Colorado and Wyoming Railway Company. This company is, however, owned by the Colorado Fuel and Iron Company, and is its transportation branch. The negotiation of the agreement and the short strike which took place before it was signed are described.

This agreement marks a departure in the labor policy of the Colorado Fuel and Iron Company in that it is the first time the management has ever agreed to negotiate a trade agreement with union officials.

### CHAPTER X—ACCOMPLISHMENTS AND LIMITATIONS OF EMPLOYEES' REPRESENTATION

This chapter is a summary of the experience of the employees and the company with employees' representation in the Minnequa Steel Works. It is shown that under the written plan the workers were granted a small degree of representation in determining wages and conditions of work.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

But even this representation was an important step in advance in an industry which declined to admit that the workers should have any voice in settling questions which affect them so directly and vitally. Moreover, the workers displayed initiative and succeeded in securing for themselves an effective voice in determining some of the conditions under which they had to work. Thus, due to the machinery provided in the plan, the actual instead of the basic eight-hour day was secured in 1918; joint committees have been appointed to study and revise wages; the workers have also attained greater security in their jobs, because under the plan they have been afforded an opportunity to review suspensions and discharges made by foremen and superintendents.

On the other hand, employees criticized foremen and superintendents for not showing a more co-operative attitude in adjusting grievances. They also complained that the management did not apply the principle of seniority and did not invariably consult the employees' representatives when considering important changes which affect the workers.

The chief criticism of the Industrial Representation Plan expressed by the Minnequa steel workers is that under it they have no representation in determining what the wage standards for the industry as a whole should be. The practice of the Colorado Fuel and Iron Company in accepting competitive standards as a basis upon which rates are to be established in the Minnequa Steel Works does not assure them that an adequate wage will always be paid. The United States Steel Corporation, by virtue of the fact that it is the largest producer of steel and commands a national market, is the competitor which establishes basic wage standards in the industry. If the Steel Corporation establishes basic standards and if the Colorado Fuel and Iron Company is obliged to adopt these standards in order to compete for orders, the jurisdiction of committees of employees provided by the Industrial Representation Plan cannot extend to basic wage standards. Moreover, no representatives of the steel workers have any voice in the establishment of these basic wage standards since the United States Steel Corporation has no method of consulting the workers when determining wage rates.



## SYNOPSIS

The last paragraph in this chapter reads:

At present, then, the scope of the Industrial Representation Plan is seriously limited. It is true that in an industry so devoid of any tradition concerning representation of the workers as the steel industry is, the Industrial Representation Plan marks a distinct step in advance toward recognizing the workers' aspirations; for under the plan the men of the Minnequa Steel Works secured such important gains as the actual eight-hour day, an opportunity to participate in revising wage scales, a method of presenting and discussing grievances, and a greater degree of security in their jobs through enjoying the right to appeal to higher officials against the decisions of foremen and superintendents. When one looks at these accomplishments and then considers the methods of the United States Steel Corporation, one must conclude that at least in one small segment of the industry the wage-earners have been afforded an opportunity to have a voice in determining conditions under which they must work. Nevertheless, until the men throughout the industry as a whole secure adequate and effective representation in determining wage standards, those employed in any one plant, such as the Minnequa Steel Works, are bound to be dissatisfied. Every week the Minnequa workers are reminded by their pay envelopes that the scope of their representation does not give them an effective share in determining their own earnings and none whatever in determining those of their fellow-workers in the steel industry at large.



## INTRODUCTION

### PURPOSE AND METHODS OF THE INVESTIGATION

HOW a company, which operates more than twenty bituminous coal mines, a large steel works, and a railroad in Colorado, undertook to organize its relations with its workers by instituting a plan of "employees' representation" is the subject of two studies, one on coal mines and one on steel works, which are simultaneously published.

It was during the prolonged strike of coal miners in Colorado in 1913 that W. L. Mackenzie King, former Minister of Labor, and subsequently Premier, of Canada, was asked by John D. Rockefeller, Jr., who was the largest stockholder in the largest company involved in the strike, the Colorado Fuel and Iron Company, to suggest a plan which would prevent the recurrence of such a catastrophe. Both men believed that the lack of personal relationships between directing management and employees, which is characteristic of modern industrial organization, was the true point of origin of the bitter conflict of the coal strike in Colorado. To restore the personal relationships that existed in the days of small-scale crafts in a company which employs 5,000 men in its mines and 7,000 in its steel works in Colorado alone, and operates lime quarries and iron mines in another state and a railway carrying both freight and passengers, was obviously impossible. The

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"principle of representation" was the essence of the plan suggested. The idea was to apply in industry the mechanism of republican government in political life. Relationships between management and men were to be restored through representatives chosen by officials and employes. The plan of organization embodying this principle was called the Industrial Representation Plan. It was established in the coal mines of the Colorado Fuel and Iron Company in October, 1915, and in the Minnequa Steel Works in 1916.

This was the first prominent experiment in establishing such a plan of representation for employes, and a forerunner of the shop committees, or works councils, which multiplied rapidly in a variety of industries during and after the war. Several of these later schemes were modeled on the plan of the Colorado Fuel and Iron Company.

Because of its influence on the growth of what is called employes' representation, and because the operation of the experiment could be examined in two basic industries—coal and steel—the Industrial Representation Plan of the Colorado Fuel and Iron Company was chosen as one of the series of inquiries which are described in the Foreword.

The decision to study the aims and workings of the representation plan of the Colorado Fuel and Iron Company was made in the autumn of 1919, after a brief survey of shop committees in eleven industrial establishments in or near New York. Ben M. Selekman, who for three years had been a member of the staff of the Department of Industrial Studies of the Russell Sage Foundation, made this preliminary survey and after its completion he was sent to Colorado. The plan of work

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outlined in advance was to interview both employes and company officials, to familiarize himself with working conditions, to examine the procedure in carrying out the representation plan, and to consult all the available documents on the subject, including minutes of meetings, correspondence and reports.

On his first trip Mr. Selekman stayed five months in Colorado, from November, 1919, to April, 1920. When he reached there a strike had been in progress for several weeks in the steel industry and the coal miners were returning to work after a strike of somewhat over a week. Mr. Selekman spent the first weeks in Pueblo, interviewing steel workers. He attended hearings of the State Industrial Commission, which was investigating a phase of the strike in the coal mines, and thus heard the testimony of employes and officials of the Colorado Fuel and Iron Company concerning the alleged discharges of miners for activities in the union. In the coal camps, as in the steel works, he interviewed workers, the representatives elected in accordance with the representation plan, foremen, superintendents, and higher officials of the company, the state officials who enforce the mining and labor laws, and disinterested citizens having knowledge of labor conditions. A large amount of documentary material was placed at our disposal by the company, including minutes and reports of activities and procedure in connection with the representation plan. The proceedings of official investigating commissions were examined. Mr. Selekman visited each mining community at least once, and some of them as many as six times, thoroughly inspected typical mines, talked with miners in their work-places, and several times accompanied the



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state mine inspector on his rounds.<sup>1</sup> In accordance with the usual practice of the Department, typewritten records of his interviews and all documentary material were forwarded daily to the director of the Department in New York.

When information received in interviews could not be verified in minutes or written reports, its accuracy was checked by securing statements regarding the same incident from men in different positions in the company. For instance, when miners told us of grievances which had not been brought up through the representation plan and hence were not described in the records, we questioned foremen and superintendents about the conditions which might have given rise to the men's grievances. We did not disclose the names of miners whom we had interviewed. In these ways, and by later submitting the manuscript to representatives of both management and mine workers, we gave ample opportunity to company officials and miners to explain their points of view.

The information and material regarding the coal mines were embodied in a preliminary report, of which copies were submitted in December, 1920, to John D. Rockefeller, Jr., J. F. Welborn, president of the Colorado Fuel and Iron Company, and William Green, secretary-treasurer of the United Mine Workers of America. These were all urged to give us their criticisms. We explained that it was our regular practice to submit an early draft of a report to those most vitally concerned in the subject of our inquiry, in order to afford them an opportunity to examine and to criticize it before publication.

The secretary of the United Mine Workers gave as his

<sup>1</sup> In 1919, 24 mines were operated by the company in Colorado. One mine, Emerald, has been added since Mr. Selekmán's first visit.

## INTRODUCTION

opinion that, in spite of adverse criticism of some of the activities of the union in Colorado, the report was a fair and valuable statement of facts. The representatives of the company questioned the accuracy of some of the statements and disagreed as to the interpretation of many of them.

We welcomed opportunity to consider their criticisms in detail and to re-examine the evidence for every disputed statement. After correspondence with Mr. Welborn and consultation with Mr. Rockefeller's office in New York, it was finally agreed that the director of the Department of Industrial Studies, Mary Van Kleeck, should go to Colorado to discuss the manuscript with officers of the company and to get a direct impression of the views of the workers on the operation of the plan.

Following interviews with trade union officials and others outside the company in Pueblo and Denver, Miss Van Kleeck met the officers of the company in their Denver office early in February, 1921, and together they spent six consecutive days in reading and discussing the entire manuscript of the first report. In order that the points of difference might be kept clearly in mind the discussion was recorded in a memorandum prepared by Miss Van Kleeck and agreed to by the officers of the company. In all the stages of the investigation, the officers of the company were uniformly generous in affording us access to sources of information that we needed to reach through them.

Following the discussion of the preliminary report, Miss Van Kleeck visited the camps of 23 of the 25 coal mines of the company in Colorado, and conferred at length with 64 men employed in the coal mines, includ-

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ing the representatives elected for the year 1921 in every mine of the company then in operation in Colorado, except Crested Butte.<sup>1</sup> At least two company officials went with Miss Van Kleeck to all the camps, but no official was present at any of her conferences with employes. Miss Van Kleeck's main purpose was, first, to gain an understanding of the point of view of the officials, in order that the fairest possible consideration should be given to their objections, and, second, to re-examine every fact which they had challenged in the manuscript. Mr. Selekman also returned to Colorado in 1921 to check up again the evidence of his first interviews.

Following her visits to the mines, Miss Van Kleeck returned to Pueblo for an investigation of the representation plan in the Minnequa Steel Works. Here she interviewed between 40 and 50 workers, including a large majority of the representatives who had served in 1920.<sup>2</sup>

When her inquiries in Pueblo were completed, Miss Van Kleeck had a final conference with officials of the company in Denver, at which she stated her findings in detail. Mr. Selekman was present to explain the procedure which he had followed in his inquiry. A verbatim stenographic report was taken of this conference, and its 444 typewritten pages constitute an unusual record both of the findings of the study and of the views of the company on the facts presented. It was approved by the president and other officers of the company after a few minor corrections.

<sup>1</sup> Of the 25 mines, one, Crested Butte, is a long distance from the others; another, Engle, was closed when Miss Van Kleeck was in the neighborhood, but she talked with one of its employe representatives.

<sup>2</sup> The elections for 1921 were then in progress and in some departments not completed.

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After revision of the manuscript, to include the new material gathered by Miss Van Kleeck, the galley proof was submitted to President John L. Lewis and other officers of the United Mine Workers and to representatives of the union from Colorado, who approved it as a whole. It was also submitted to the officers of the company and to Mr. Rockefeller, and we regret that after giving full consideration to their objections many differences of opinion as to interpretation and conclusions still remain.

The details thus covered in conference and in new observation were so numerous that a summary of the results is difficult to formulate in a few words. Some of the differences in interpretation between us and officers of the company, on which agreement was not possible, will appear at various places in the following pages. Considerable new material was added, some of it relating to events subsequent to Mr. Selekman's first trip to Colorado. Much of the information secured from employes and supporting our first report continued to be unconvincing to officials. They suggested that if we would name employes who had made the statements recorded by us, either officers of the company or superintendents might be able to give facts from their point of view about these employes which would be a check on their accuracy. This we could not do, because we had assured them that their names would be held in strict confidence. In the important specific cases which were re-examined by Miss Van Kleeck, and in her interviews with miners, her findings confirmed the essential facts upon which Mr. Selekman's report was based.

The weight which we gave to the objections made by

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

officials to some of our descriptions of miners' opinions and experiences can be better understood if we distinguish between the types of data secured in our talks with employes. Interviews with them had yielded two types of information, which were embodied in the report: (1) Statements of opinion by the miners which constituted evidence of their reactions toward the representation plan and their attitude toward the company; these may have reflected a limited understanding of the company or the plan, but they gave us insight into the minds of the workers; (2) statements of experience by the miners regarding the operation of the plan; these were subject to the usual processes of verification.

As to the second type of information, every effort was made to hear testimony from both sides and to sift the evidence in order to discover the truth without bias. As to the first type of statement—that which reflects the feelings of the employes—the objection of officials of the company is not conclusive, for a disinterested outsider who wins the confidence of a worker is, often, in a position to secure a franker expression of opinion than would be given to a company official. When, therefore, company officials doubted the accuracy of our interpretation of the psychology and of the point of view of the workers regarding the representation plan, it was necessary to let the matter stand as a difference of opinion. For instance, many grievances had been described by the men to Mr. Selekman which had never been taken up through the machinery of the plan, and the fact that no adjustment of these difficulties had been sought by employes, despite the provision for their representation, was analyzed in our report



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as a test of the plan. These were facts which, in the very nature of the case, had never been brought to the attention of the company, yet officials questioned their accuracy. Our confidence in their validity was based in part upon our knowledge of the repetition of statements on the subject made by one miner after another in all the camps.

Probably, full agreement by both workers and employers as to the conclusions presented in an investigation of this kind is impossible of achievement. Nevertheless, the tests to which the material here presented has been subjected have included a re-examination of every disputed fact. After all, differences of opinion are in themselves information for the seeker after truth in labor problems, and they form an essential part of the record of human relations in industry. In the chapters which follow, the reader's attention will be called to the points on which important differences have been expressed. Our aim has been to set forth events, conditions, statistics, purposes, methods, and opinions fully enough to enable readers to weigh the evidence and to draw their own conclusions.



## CHAPTER I

### INTRODUCTION OF EMPLOYEES' REPRESENTATION IN THE MINNEQUA STEEL WORKS

THREE months after the Industrial Representation Plan had been introduced in the coal mines of the Colorado Fuel and Iron Company the management took steps to establish a similar plan in the Minnequa Steel Works.<sup>1</sup> In January, 1916, President Welborn invited the employes of the steel works to elect representatives to meet with the management "for the purpose of discussing matters of mutual concern and considering means of more effective co-operation in maintaining fair and friendly relations." Five months later, in May, 1916, the Industrial Representation Plan was put into operation in the Minnequa Steel Works.

#### THE MINNEQUA STEEL WORKS

The Minnequa Steel Works, located at Pueblo, Colorado, manufactures about 2 per cent of the total steel products of the country and normally employs from 6,000 to 6,500 men. It is not a large plant when compared with some of the mills in the East, in the vicinity of Pittsburgh and Chicago, for instance; but

<sup>1</sup> See *Employes' Representation in Coal Mines*, by Ben M. Selckman and Mary Van Kleeck, Russell Sage Foundation, New York, 1924.

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citizens of Pueblo will tell you that it is the largest steel mill west of Chicago. At any rate, in organization and in the products made it is a typical steel mill.<sup>1</sup> It includes six blast furnaces, 15 open-hearth furnaces, and a Bessemer converter; a number of mills for rolling blooms, rails, and rods; a large wire mill, where wire, bolts, nails, and similar products are made; and a modern coke oven plant.

The Minnequa Steel Works occupies, moreover, a strategic position in the organization of the Colorado Fuel and Iron Company, for to it are brought the limestone, the iron ore, the coal and coke obtained from the mines of the company to be converted into rails, wire, machinery, and other finished steel products. Lacking this plant, much of the property belonging to the company would probably remain undeveloped, for it would hardly pay to send the raw materials over long freight hauls to the nearest steel works in the East.

### INAUGURATION OF THE PLAN

How the Industrial Representation Plan was introduced in the coal mines after the strike of 1913 and 1914 as a direct effort to meet needs disclosed by that conflict has been described.<sup>2</sup> But no such condition prevailed in the Minnequa Steel Works as had prevailed in the mines. No effort at collective bargaining had been attempted by the Minnequa employees, nor had they

<sup>1</sup> As this report goes to press the *Rocky Mountain News* of March 13, 1924, makes the following statement:

"The Minnequa plant of the Colorado Fuel and Iron Company at Pueblo will be one of the most modern and efficient steel mills in America when improvements to cost approximately \$3,000,000, announced yesterday at the Denver office of the company, are completed."

<sup>2</sup> See footnote, page 37.

## INTRODUCTION OF THE PLAN

voiced any demand to be represented in the matter of wages and hours of work or in the presentation of grievances, as had been the case of the miners. The men undoubtedly had grievances,<sup>1</sup> but they had not expressed a desire for a method of conferring with the management in regard to them.

Conditions were peaceful in the Minnequa Steel Works. Indeed, no general strike of all the workers engaged in the various processes had ever taken place within the memory of the employes whom we interviewed. Strikes had been called in the past, but they had been limited to particular crafts, such as the molders. Moreover, while individual mechanics belonged to their craft unions, no one union, similar to the United Mine Workers of America, the international union of coal miners in this country and Canada, existed in the steel works to which all employes in its membership belonged. Nor, when the plan was introduced, was an aggressive campaign in progress by any of these unions, separately or collectively, to gain the steel workers as members or to request from the management any changes in conditions of work. Indeed, few of the employes were members of the local lodges of the union to which they would ordinarily have belonged, the Amalgamated Association of Iron, Steel and Tin Workers.

<sup>1</sup> Thus in the meeting held on January 26, 1916, various representatives, when called upon by President Welborn to express their opinion with regard to the desirability of a plan of representation for the steel workers, brought up among other things several specific requests: (1) An increase in wages for employes in the open-hearth department; (2) the delivery of a better grade of steel to the men in the wire mill; (3) the installation of washrooms; (4) the desirability of supplying the men with good tools; (5) the payment of one and one-half times the regular rates to bricklayers for overtime and for work on Sunday; and (6) the need of a clubhouse.

## EMPLOYES' REPRESENTATION IN STEEL WORKS

### OBJECTIVES OF THE COMPANY

On January 26, 1916, President Welborn called a meeting of the 25 employees' representatives who had been elected by the employees earlier in the month and an equal number of company officials appointed by him to represent the management. The objectives which the company had in mind in introducing a plan of representation in the steel works were voiced by the president in his address to the joint conference.

First he reviewed the situation in the coal mines immediately following the strike and during the year that had preceded the introduction of the Industrial Representation Plan. He expressed satisfaction with the results shown by the work of David Griffiths, the president's industrial representative for the mines, appointed in December, 1914, and the employees' representatives elected in January, 1915. He characterized the work of Mr. Griffiths and the employees' representatives as being "very effective in bringing about a clearer understanding of the relations between the company and its coal mine employees and in showing the latter that the officers of the company regard the interests of itself and its employees as mutual."

After describing briefly the introduction of the Industrial Representation Plan in the coal mines, President Welborn next announced the appointment of Harrington Shafer to a position in the steel works similar to that filled by Mr. Griffiths in the mines; namely, to be the president's industrial representative. He bespoke the co-operation of all employees for Mr. Shafer.

Before declaring the objectives of the company in desiring to establish a plan of representation in the



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steel works, Mr. Welborn stated his general philosophy with regard to the relationship of employers and employees. He challenged the opinion of those who contend that a conflict of interests exists between these two groups. He affirmed his own belief that employees were partners in the development of a business, and that, therefore, their interests and those of the stockholders and managing officials were "mutual." He said:

"I believe that when capital endeavors to secure its labor at the lowest possible figure and as a natural result the workmen try to secure the highest possible compensation, both disregarding the economic and business conditions under which they are obliged to work, the result is apt to be a breach, or at any rate the development of contending sides. I feel and know that our interests are mutual; that, it will do the company no permanent good to force the workmen to a lower wage than they ought to take, and that if the company is obliged to pay a higher scale of wages than its trade will justify, no permanent good will result to the workman.

"I hold that you employees, including your associates and the officers of the company here assembled, are partners in the development and conduct of this business; that if we as individuals are to succeed permanently we must make the business return some profit, at least, to those who have the investment in the stocks and bonds of the company. It is on this basis that we have met here, and I shall be glad to hear from any or all of you."<sup>1</sup>

<sup>1</sup> Copy of minutes of Joint Meeting of Employees' Representatives from the Minnequa Works and the Quarries with Officers and Representatives of the Colorado Fuel and Iron Company, Pueblo, Colorado, January 26, 1916.

## EMPLOYES' REPRESENTATION IN STEEL WORKS

Finally, President Welborn made it clear that neither the meeting which he was addressing nor the plan of representation which was being contemplated should be an expression of any criticism of the methods of superintendents and other company officials in their dealings with employees. Its object was a "more effective co-operation" than had hitherto existed. The company believed that this co-operation could be secured by "meeting in a more or less formal manner on a basis of equality." He said:

"You were asked to come here and meet representatives of the company 'for the purpose of discussing matters of mutual concern and considering means of more effective co-operation in maintaining fair and friendly relations.' To avoid any possibility of misunderstanding I want to say that this meeting and your election which preceded it are both in entire harmony with the views of all of the representatives of the company that you see here, as well as other officials of the company who may be absent. It is not that we doubt the fair intentions of the superintendents in their dealing with the workmen, that we propose to discuss means of more effective co-operation, but that we believe that meeting in a more or less formal manner on a basis of equality for an exchange of views will be beneficial to all. Those representing the company feel that their work will even be simplified if they can discuss with you matters of particular interest to the workmen as a whole, whether such matters be initiated by the superintendents or by the workmen themselves."<sup>1</sup>

<sup>1</sup> Ibid.

## INTRODUCTION OF THE PLAN

After some discussion, one of the employes' representatives moved and another seconded the motion that a plan similar to that established in the coal mines, but applicable to the steel works, be drafted for the consideration of the representatives at a future meeting to be called by the company. This motion was unanimously carried.

Three months later, April 26, 1916, President Welborn called another meeting. The 25 representatives previously elected by the employes to attend the January conference were present with the 25 men from the ranks of superintendents and other officials of the company who had been chosen to represent the management. President Welborn presented copies of the proposed plan. He read the plan and memorandum of agreement, and asked for suggestions and amendments. Four minor amendments were suggested and unanimously agreed to.<sup>1</sup>

The minutes of the meeting read that "after a thorough discussion that was participated in by a large number of those present it was unanimously voted . . . that the proposed plan and agreement . . . be approved and recommended to the company directors and to the employes of the Minnequa works for adoption." On May 4, 1916, ballot boxes were taken through the works to the various employes and a secret vote was

<sup>1</sup> These amendments were:

1. To transpose Section 1, Part 2, headed "Divisions" so that it will be Section 1, Part 1, of the plan.
2. To change the heading of Part 4 of the Agreement so that it will read "Wash houses."
3. To change the word "Departments" in the second line of Section 5 of the agreement, so that it will read "Subdivisions."
4. To change the word "Departments" in Section 7 of the Agreement, so that it will read "Subdivisions."

For text of plan see Appendix, page 237.

## EMPLOYES' REPRESENTATION IN STEEL WORKS

polled. Of the total 3,184 votes cast, 2,321, or 72.9 per cent, were in favor of, and 863, or 27.1 per cent, were against the proposed plan and agreement. The plan went into effect May 6, 1916.

Thus the Industrial Representation Plan was established in the Minnequa Steel Works at a time when the relations between management and men were peaceful, when trade unions were inactive in the steel industry, and when the employes themselves had made no demand for any method of representation

## CHAPTER II

### STEEL MAKING AND HUMAN RELATIONS

FROM the blast furnaces where the coke, lime, and iron ore are smelted into pig iron, to the Bessemer and open-hearth departments where the pig iron is converted into steel, and to the rolling mills where the ingots are reduced to sizes which may be used in manufacturing the finished products, the most important production factors with which one is dealing are not men but machines—machines handling immense masses of metal, sometimes amounting to as much as 50 tons, always hot and often molten.

#### STEEL MAKING: A MACHINE INDUSTRY

The gigantic scale of the processes entailed in handling the heavy masses of metal has rendered steel making an industry in which the capital needed to operate and finance the undertaking is the dominant factor, not the workers. Thus, in the twenty-year period, 1899 to 1919, the amount of the capital invested in steel works and rolling mills in this country increased 517 per cent, while the number of wage-earners increased only 105 per cent. In other words, the total capital invested in steel works grew to more than five times the original amount, while during the same period the number of wage-earners employed little more than doubled.<sup>1</sup>

<sup>1</sup> The figures cited in this chapter are based on the Fourteenth Census of the United States, 1920, Vol. X, Manufactures, Wash-

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

If we take the figures for blast furnaces, where pig iron is made, and where, consequently, the basic process of the steel industry takes place, the disproportion of growth between the number of workers employed and the capital invested is even more striking. During the twenty-year period, 1899 to 1919, the capital invested in blast furnaces increased 490 per cent. The number of wage-earners employed increased only 12 per cent. Here the capital invested increased to almost five times the original amount, while in this twenty-year period the number of wage-earners employed increased scarcely at all.

## INDUSTRY CONTROLLED BY LARGE CORPORATIONS

An industry which is characterized by the tremendous scale of its operations and which requires large amounts of capital to finance is not likely to attract small employers; it is natural to find in it only large companies. Indeed, the growth of steel making has not meant an increase in the number of employers or the number of establishments. On the contrary, increase in these has been only nominal. Thus, while there were 445 steel works and rolling mills in the United States in 1899, there were only 500 of these establishments in 1919, an increase of 55, or 12 per cent. During the same twenty-year period the number of blast furnaces increased from 223 to 225, an increase of only two, or less than 1 per cent. As a corollary, the individual establishment has grown to ington, 1923. Electric furnaces have been included with blast furnaces in the figures for 1919.

Due to changes in the value of the dollar and for other reasons, the census figures for capital are, of course, too imperfect to indicate accurately the increase of capital as compared with wage-earners. Nevertheless they do indicate the general trend.



## STEEL MAKING AND HUMAN RELATIONS

tremendous proportions. In 1899 the average amount of capital invested in steel works and rolling mills was \$967,000. In 1904 it was \$1,687,000, and in 1909, \$2,253,000. In 1919 the average amount of capital invested was \$5,313,000—an increase of 136 per cent as compared with 1909, and of 449 per cent as compared with 1899.

The average amount of capital invested in establishments operating blast furnaces has increased in even greater proportion. In 1899 this amount was \$642,000; in 1904, \$1,243,000; and in 1909, \$2,344,000. In 1919 it was on the average \$3,755,000 per establishment—an increase of 485 per cent as compared with 1899.

Not only is the typical steel establishment a very large unit, but the ownership and control of the industry is concentrated in the hands of a few corporations. The United States Steel Corporation, organized in 1901, manufactures in normal times from 40 to 50 per cent of the steel products of the country. It wields, therefore, a national influence in determining prices, wages, and conditions of work. The remainder of the steel industry is largely in control of a few large corporations, usually called "independents" because they are not affiliated with the United States Steel Corporation. In 1923 some of the "independents" were negotiating concerning the consolidation of their plants and holdings.

## CONTINUOUS PROCESSES AND THE TWELVE-HOUR SHIFT

Machines and manufacturing processes have determined the working conditions of the industry. To the fact that the metal must be highly heated or molten while making steel is due the necessity of continuous

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

operation. Blast furnaces cannot very well be cooled down without elaborate and expensive preparations for "banking." It is not practicable, although possible, to shut down even one day a week. In the rolling mills it is not practicable to shut down at night, because the equipment and metal become cold and after work is begun several hours are required to attain normal efficiency.

Because the essential processes had to be continuous, the twelve-hour shift and the seven-day week became established early in the history of the industry. In 1910 the United States Steel Corporation issued orders to its subsidiaries to take steps to eliminate the seven-day week. In May, 1910, 29.3 per cent of the entire forces in the iron and steel industry worked seven days a week. By August, 1912, this proportion had been decreased about one-half, leaving, however, "more than 50 per cent of the blast furnace workmen on a regular schedule of seven days a week, with a long turn of eighteen or twenty-four hours at the change of shift."<sup>1</sup> As for the United States Steel Corporation, Horace B. Drury found as the result of an investigation that during the war "the rule against seven-day labor was admittedly not enforced."<sup>2</sup> Following the war the prohibition of the seven-day week and the abolition of

<sup>1</sup> Report on Conditions of Employment in the Iron and Steel Industry in the United States, Vol. III, Working Conditions and the Relations of Employers and Employees. Prepared under the direction of Charles P. Neill, Commissioner of Labor. Senate Document No. 110, 62d Congress, Washington, 1913, p. 16.

<sup>2</sup> The Three Shift System in the Steel Industry, by Horace B. Drury. An address delivered at the joint meeting of the Taylor Society, the Metropolitan and Management Sections of the American Society of Mechanical Engineers, and the New York Section of the American Institute of Electrical Engineers, New York, December 3, 1920. Published in the *Bulletin* of the Taylor Society, New York City, February, 1921, footnote, p. 4.

## STEEL MAKING AND HUMAN RELATIONS

the long turn were again being rigidly insisted on by the Steel Corporation.<sup>1</sup>

In spite of the fact that for some time the seven-day week had been condemned and officially ordered eliminated by the United States Steel Corporation, it was not until 1923 that this corporation as well as most of the "independents" took steps to eliminate the twelve-hour shift. It is not our purpose here to go into the detailed history of the twelve-hour shift and the agitation which has been carried on against it.<sup>2</sup> Our purpose is simply to show that it was not the human needs of the workers but the mechanical processes of the industry which until recently had determined the length of the working day.

### ABSENCE OF ORGANIZED MEANS FOR CONSULTING WORKERS

Although the steel industry is largely in the hands of a few big corporations, and one of these, the United States Steel Corporation, determines the basic labor policy of the industry, the workers as such have no means of participating in determining wages, hours of work, and other conditions of employment. Labor unions have been singularly unsuccessful in efforts to organize this huge industry. The Amalgamated Association of Iron, Steel and Tin Workers is the union affiliated with the American Federation of Labor which has jurisdiction over employes engaged in the essential processes of the steel industry. In 1882, 1892, 1901,

<sup>1</sup> Ibid.

<sup>2</sup> For a discussion of the introduction of the eight-hour shift see Chapter IV, Introduction of the Eight-Hour Day, page 69.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

and 1907 it conducted four major strikes. It was defeated in each one. In 1919 a nation-wide strike was conducted in the steel industry under the direction of a special committee appointed by President Gompers of the American Federation of Labor. While certain specific demands were made by the strikers, such as the abolition of the twelve-hour shift and the seven-day week, the strike was essentially one for the recognition of the interested unions as the representatives of the various crafts of steel workers in determining, jointly with the employers, standards of pay and of work. The strike was lost. While in 1923 another organizing campaign was launched by a special committee appointed by the Executive Council of the American Federation of Labor, trade unions were not an active factor in the steel industry when this report went to press in 1924.

With the exception of several of the "independents," the steel corporations, moreover, have not instituted methods of consulting their employees. Wage and work schedules are announced by the superior officials of the company, and the steel worker has the alternative of accepting conditions as he finds them or of seeking employment elsewhere. In the United States Steel Corporation he has the right to complain to his foreman or to his superintendent.<sup>1</sup>

<sup>1</sup> The method of the Corporation in discovering the wishes of its employes is described by Judge Elbert H. Gary before the United States Senate Committee, investigating the steel strike of 1919, in the following words: ". . . I make it my particular business all the time to know the frame of mind of our people. Not that I visit every man; I do not do that; of course, I could not do that; not that there could be something done or something said in the mills that I would not know; but, in the first place, my instructions regarding the treatment of the men are absolutely positive, given to

## STEEL MAKING AND HUMAN RELATIONS

To summarize, then, the steel industry is one whose tremendous growth during the past quarter of a century has been characterized by the development of great mechanical devices. This fact, added to the huge scale of operations upon which the industry is conducted, has made it necessary to raise large sums of money for financing and the capital invested in the industry has increased much more rapidly in proportion than the number of wage-earners employed. The necessity for large capital explains why the industry is conducted by a few large corporations. Because large masses of metal are handled in a molten or heated condition, and the processes must therefore be continuous, day and night, in the major departments, and in some departments seven days a week, the twelve-hour day and the seven-day week became established early and persisted for a long time as the working periods. Finally, the wage-earners of the industry have no or-

the presidents at the presidents' meetings regularly—plenty of my remarks to the presidents have been printed and can be exhibited if necessary—and because I am inquiring into that; and we have a man at the head of our welfare department, Mr. Close, who is . . . around among the works frequently, and all the time, more or less, trying to ascertain conditions; because public writers, unknown to us, have been among our works making inquiries and reporting and writing articles on the subject; and because we come in contact with the foremen and often with the men, going through the mills, Mr. Farrell and myself, and others from time to time; because we have a standing rule, and have had, that if any of our men in any department are dissatisfied in any respect they may come singly or they may come in groups, as they may choose, to the foremen and ask for adjustments, make complaints, and if necessary they may come before the president of the company, or they may come to the chairman of the Corporation. . . .”

Investigation of Strike in Steel Industries. Hearings before the Committee on Education and Labor, United States Senate, 66th Congress, pursuant to Senate Resolution No. 202, on the Resolution of the Senate to Investigate the Strike in Steel Industries, Washington, 1919, p. 161.

## EMPLOYES' REPRESENTATION IN STEEL WORKS

ganized means of sharing in the formulation of conditions under which they must work.

It was in this industry that the Colorado Fuel and Iron Company, one of the "independents," embarked in May, 1916, as a pioneer in the experiment of employes' representation.



## CHAPTER III

### THE INDUSTRIAL REPRESENTATION PLAN

THE full title of the plan as published by the Colorado Fuel and Iron Company is the "Industrial Representation Plan and Memorandum of Agreement Respecting Employment and Living and Working Conditions, Applicable to the Minnequa Steel Works."<sup>1</sup> It functions in the main through three agencies—representatives whom the steel workers elect from their fellow-employees, joint committees of representatives of the management and the men, and periodic conferences at which the men's representatives and an equal number of company officials are present.

<sup>1</sup> As reprinted February 1, 1919, by the Colorado Fuel and Iron Company. Since our field work and conferences with company officials in 1920 and 1921 the representation plan of the Colorado Fuel and Iron Company has been revised and a number of changes made. The changes were made by a joint committee representing employees and management and were adopted by "the annual meetings of employees' and managements' representatives at Pueblo in December 29-30, 1921." None of the changes alter the fundamental features of the plan. The pamphlet containing the revised plan is entitled "Joint Representation of Employees and Management and Procedure in Industrial Relations and Memoranda of Agreement Respecting Employment, Working and Living Conditions Within the Colorado Fuel and Iron Company." The present plan is in effect a consolidation in simplified language, of what were formerly separate plans for the coal mines, iron mines, and the steel works of the company. Important changes will be noted where provisions of the plan are discussed. Both the old and the revised versions are printed in full in the Appendices, pages 237 and 257.

## EMPLOYES' REPRESENTATION IN STEEL WORKS

### METHOD OF NOMINATING AND ELECTING REPRESENTATIVES

To facilitate the administration of the plan, the steel works as a whole is divided into 11 divisions. Each of these divisions is composed of one or more departments called subdivisions. These may be merely contiguous in location in the works or they may belong to the same occupational grouping.<sup>1</sup>

These divisions are the units from which employes' representatives are elected. Each division is entitled to one representative for every 150 employes, but each division has at least two representatives regardless of

<sup>1</sup> Strictly speaking, there are only nine divisions in the works. The other two consist of the Lime and Calcite Quarries and the Colorado and Wyoming Railway Transportation Men. The divisions follow:

Division	Subdivision	Division	Subdivision
First.....	Blast Furnace Department	Seventh... (Cont.)	Electric Shop
Second....	Open-Hearth Department		Scale Shop
	Bessemer Department		Masons
Third.....	Rail Mill		Colorado and Wyoming Railway Shop and Car Men
Fourth....	12-inch Mill	Eighth....	By-product Coke Plant
	20-inch Mill	Ninth.....	Yard
	Bolt Mill		Stables
	Spike Mill		Locomotive Crane
Fifth.....	40-inch Mill		Storehouse
	14-inch Mill		Colorado and Wyoming Railway
	10-inch Mill		Track Men
	Rod Mill		General
	East Mill Boilers	Tenth.....	Lime and Calcite Quarries
Sixth.....	Wire Mill	Eleventh..	Colorado and Wyoming Railway Transportation Men
Seventh...	Shops Department		
	Casting Foundry		
	Pipe Foundry		
	Roll Shop		

In the revised plan several changes, unimportant in themselves, have been made in the divisions listed above.

## THE REPRESENTATION PLAN

the number employed. Only those who have been in the employ of the company at least three months immediately preceding elections may vote.<sup>1</sup> Salaried employes may not vote for representatives of the wage-earners. Both nominations and elections of representatives are by secret ballot. The company provides ballot boxes and blank ballots.

The nomination and election of representatives are conducted under the supervision of the president's industrial representative, whose duties will be presently described. Two tellers are appointed for each occasion. One is appointed by the management; the other, a wage-earner, is designated by the employes' representatives of each division. They have charge of the ballot boxes on nomination and election days. No provision is made in the plan for a place where elections may be held. In practice, the tellers carry the ballot boxes to each employe who votes while at his regular job.<sup>2</sup>

The annual nomination and election of representa-

<sup>1</sup> The revised plan stipulates qualifications for the office of employes' representative as follows:

"Only an employe who is a citizen of the United States, who is 21 years of age or over, and who is and has been an employe of the Company continuously for at least one year immediately preceding the month in which elections are held, shall be qualified for nomination and election as a representative." See Appendix B, page 260.

<sup>2</sup> The revised plan lays down the following general rules for the nomination and election of representatives:

"Nomination and election of representatives shall be by secret ballot under conditions that insure freedom of choice and an impartial count.

"Procedure for conducting nominations and elections shall be agreed upon by the employes' representatives and the management at each operation.

"For purposes of nomination and election, the management shall provide ballot boxes and blank ballots, the ballots to be of one color or form for nominations and of another for elections." See Appendix B, page 261.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

tives are held during the first half of January. Both nomination and election are called by direction of the president of the company. Notices of nomination and election are publicly posted in each subdivision a week in advance. Each employe may nominate as many candidates as the division is entitled to elect. Twice as many representatives as the division is entitled to are placed in nomination selected from those receiving the highest number of votes. Appeal may be made to the president of the company within seven days for a recount of nomination or election.

### DUTIES OF REPRESENTATIVES

As indicated, representatives serve for one year. Their duty is to act on behalf of their fellow-employees "with respect to matters pertaining to their employment, working and living conditions, the adjustment of differences, and such other matters of mutual concern and interest as relations within the industry may determine."

Representatives may also call meetings of the employes of their division at such times as will not interfere with work. At these meetings employes may "consider and make recommendations concerning any matters pertaining to their employment, working or living conditions, or arising out of existing industrial relations." They may communicate to their representatives anything they wish discussed with the president and officers of the company at joint conferences. A record of the proceedings is to be made by the secretary and certified by the chairman. Copies are to be filed with the representatives of the division and the president of the company.

## THE REPRESENTATION PLAN

### JOINT CONFERENCES

The president of the company calls the joint conferences and designates the place of meeting. One is to be held three weeks following the annual election of representatives, and thereafter at intervals of not more than four months.<sup>1</sup> All the employees' representatives are expected to be present. The company is represented by the president or his representative and such other officials as he designates. The number of company officials is not to exceed the number of employees' representatives. The purpose of these conferences is to receive the reports of joint committees, discuss freely such matters of "mutual interest" as the promotion of increased efficiency and production, improvement of working and living conditions, enforcement of discipline, and the furtherance of friendly and cordial relations between the officials and employees of the company.

### JOINT COMMITTEES

Four "joint committees on industrial relations" are elected at the first conference.<sup>2</sup> Each of these committees is permanent for the year and consists of 12 members, six of whom are elected by the employees' representatives, and six are appointed by the president of the company. The Joint Committee on Industrial

<sup>1</sup> The revised plan is more specific as to the time when joint conferences shall be held. "Joint conferences shall be held at the call of the President at places to be designated by him in January, May and September each year. Special joint conferences may be held as the President of the Company or a majority of the employees' representatives may find desirable." See Appendix B, page 264.

<sup>2</sup> See Appendix A, page 242, and Appendix B, page 265.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

Co-operation and Conciliation<sup>1</sup> may take up on its own initiative, or have referred to it for consideration and report to the president of the company, "any matter pertaining to the prevention and settlement of industrial disputes, terms and conditions of employment, maintenance of order and discipline, company stores, etc." The Joint Committee on Safety and Accidents deals similarly with "any matter pertaining to inspection, the prevention of accidents, the safeguarding of machinery and dangerous working places, the use of explosives, fire protection, first aid, etc." The Joint Committee on Sanitation, Health, and Housing has jurisdiction over "any matter pertaining to health, hospitals, physicians, nurses, occupational diseases, . . . water supply, . . . housing, . . ." The Joint Committee on Recreation and Education deals with "any matter pertaining to social centers, halls, playgrounds, entertainments, . . . athletics, . . . schools, libraries, . . . technical education, . . . Young Men's Christian Association organizations, etc."

### THE PRESIDENT'S INDUSTRIAL REPRESENTATIVE

The plan provides for a president's industrial representative. The manner in which he assists in conducting elections and nominations has already been described. In addition, it is his duty "to respond promptly" if called by the employees' representative in any subdivision, and to confer frequently with the employees or their representatives and the superintendents with respect to "working and living conditions,

<sup>1</sup> Since our investigation the name of this committee has been changed to "Joint Committee on Co-operation, Conciliation, and Wages." The employees' representatives requested that the function of this committee be broadened to include questions relating to wages.



## THE REPRESENTATION PLAN

the observance of federal and state laws, the carrying out of company regulations, and to report the result of such conferences to the president."

### PROCEDURE FOR ADJUSTING GRIEVANCES

An employe having a grievance is required, under the plan, to take it up first in person or through his representative with the foreman or superintendent. If not satisfied with the adjustment proposed by either of these officials the employe may next apply, either in person or through the representative, to the president's industrial representative. The latter is "to look into the same immediately and seek to adjust the grievance." If a satisfactory adjustment is not made the employe may appeal "to the manager, general manager or the president of the company, in consecutive order." If still dissatisfied with the adjustment made by any of the higher officials, the difference may be referred to the Joint Committee on Industrial Co-operation and Conciliation. The decision of a majority of this committee is binding upon all parties.<sup>1</sup>

If the members fail to reach a majority decision on a dispute submitted to it, they may select a person who shall sit as an umpire in conference with the committee. His decision is binding. If the committee should fail both to reach a majority decision and to agree on an umpire, the dispute is referred to arbitration, if the parties so agree; "otherwise it shall be made the subject of investigation by the State of Colorado Industrial Commission." If the grievance is referred to arbitra-

<sup>1</sup> In practice employes and their representatives do not go through all of the channels for the adjustment of grievances. Often they appeal directly to the manager, the president of the company, or to the Joint Committee on Industrial Co-operation and Conciliation.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

tion, one person shall be chosen as arbitrator if the parties can agree upon his selection. Otherwise one arbitrator should be appointed by the employees' representatives on the Joint Committee on Industrial Cooperation and Conciliation, one by the company's representatives on this committee, and a third by the two arbitrators thus appointed. The Colorado State Industrial Commission may be asked to appoint all the arbitrators or itself act as a board of arbitration. The decision of the sole arbitrator or of the majority of the Board of Arbitration or of the members of the Industrial Commission is final and binding. The employees' representatives are guaranteed the same channels of redress and appeal in the event that they should consider themselves unjustly dealt with by the company as a result of their official activities on behalf of their constituents.

## SOCIAL AND INDUSTRIAL BETTERMENT

The president's executive assistant provided for in the plan in addition to the president's industrial representative, is charged with the responsibility of supervising "the administration of the company's policies respecting social and industrial betterment." In the discharge of his duties, this official is to consult from time to time with the several joint committees "as to improvements or changes likely to be of mutual advantage to the company and its employees." He is also chairman of a board called the Advisory Board on Social and Industrial Betterment and appointed by the president from the officials of the company. The employees are not represented on it. This board meets at least once every six months and has the power to con-

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sider all matters submitted by the chairman or by any committee connected with the company, and "may make such recommendations to the president as in its opinion seem to be expedient and in the interest of the company and its employees."<sup>1</sup>

### A STATEMENT OF POLICY

In order to prevent the occurrence of disputes certain guarantees are made. Both the company and its employees agree to "a strict observance of the federal and state laws and of the company's rules and regulations." The wage rates are to be kept on file by the superintendent and are to be open to inspection by any representative or other employee. The rules in regard to working conditions are to be posted conspicuously. In each subdivision is to be posted a list of offenses for which dismissal may result without notice. For other offenses, employees shall not be discharged without being warned first that a repetition of the offense may cause dismissal. Employees are guaranteed the right to hold meetings on company property or elsewhere as they may desire outside of working hours. They are not obliged to purchase at the company stores.

The company reserves the right to hire and discharge. The plan further stipulates that "the management of the properties, and the direction of the working forces, shall be vested exclusively in the company."<sup>2</sup>

The management also guarantees "non-discrimination" to employees who may be members of labor unions.

<sup>1</sup> In 1917 the functions of the president's executive assistant were taken over by the president of the company. In 1920 a vice-president of the company was made responsible for industrial relations.

<sup>2</sup> The revised plan provides that "the fairness of any action under this paragraph shall be a proper subject for review." See Appendix A, page 268.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

"There shall be no discrimination by the company," reads the pertinent clause, "or by any of its employes on account of membership or non-membership in any society, fraternity, or union."

### THE ADMINISTRATION OF THE PLAN

The plan is administered by company officials, and the president is virtually the chief administrator. Meetings for nominations and elections of representatives are held at his direction. To him appeals are made for a recount and new elections. He calls the periodic conferences, at which he or someone designated by him presides. He appoints the president's industrial representative. Until January, 1919, this official had an office in the plant, and grievances might be brought to him at any time by the employes or their representatives. He investigated complaints referred to him and conferred with officials of the company on the proper adjustment to be made. He sent a monthly report to the president of the company.

In January, 1919, a "president's chief industrial representative" succeeding the president's industrial representative was appointed. He has authority to make decisions after investigation. He is responsible to the president of the company, and the steel workers have no control over his acts except that they have the privilege of appealing from his decisions to the president and to the Joint Committee on Industrial Cooperation and Conciliation. In 1920 a vice-president of the company was appointed to be responsible for industrial relations.

The company pays all the expenses incurred in the administration of the plan. In addition, the repre-

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sentatives receive their regular wage when taking time from their work to handle grievances for their constituents, attend committee meetings, or discharge any other duties under the plan.

### AN AGREEMENT REGARDING WORKING CONDITIONS

A working contract called a Memorandum of Agreement was drafted and adopted by the company and its employes simultaneously with the plan itself. It was to be in effect until May 1, 1918, and to continue thereafter subject to revision upon ninety days' notice by either of the parties.

Seven clauses constitute this agreement; three deal with living conditions, one with working conditions, one with hours of work, and two with methods of wage payments. Rents for company-owned houses are not to exceed rates normally charged for similar houses in the same neighborhood. In no case shall the rate be higher than is necessary to carry and maintain the property. The company undertakes to obtain its own domestic coal for its employes at 50 cents a ton below the normal retail price. The company agrees to fence, free of charge, each house lot owned by it, in order to encourage the cultivation of flower and vegetable gardens. Garbage will be removed free of charge. In the works, the management undertakes to provide as rapidly as possible suitable wash-houses at convenient places. Employes are to be paid semi-monthly by check. No deductions are to be made from earnings except where authorized by employes.

As to hours of work, no definite length of the working day is stated. The company guarantees not to increase the working day prevailing at the time of the adoption

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

of the agreement (twelve hours), and to maintain at least as favorable a day as is maintained by competitors in the steel industry. The clause reads:

"The present hours of labor of employees of the several subdivisions shall not be increased, and shall not at any time be less favorable to the employees than the hours of labor in similar operations conducted by the company's competitors."<sup>1</sup>

The same principle determines wage rates. The company undertakes to maintain "a similarity of rates" with competing companies. If competitors change any rates the management is to call a joint conference of the representatives of the divisions affected and the proper officers of the company in order to make the necessary adjustment in the scale in the Minnequa Steel Works. Section VII follows:

"The wage rates now in force in the several subdivisions conform substantially with wage rates for like work under similar conditions in effect with companies whose products are sold in active competition with products of the Colorado Fuel and Iron Company, and that similarity of rates with those competing companies shall be maintained. The

<sup>1</sup> Industrial Representation Plan, and Memorandum of Agreement Respecting Employment and Living and Working Conditions, between the Colorado Fuel and Iron Company and its employees. See Appendix A, page 252.

The memorandum of agreement accompanying the revised plan contains under the section on "Hours of Labor" the following clause:

"By joint action of representatives of employees and management in meeting October 30, 1918, hours of labor per day were changed to eight, effective November 1, 1918. Any future changes made in hours of labor will be by mutual agreement between representatives of employees and management in accordance with the provisions of the Joint Representation of Employees and Management of the Colorado Fuel and Iron Company."



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working conditions now in force shall continue, subject to adjustment and regulation in conformity with conditions in effect in similar operations conducted by the company's competitors. For the purpose of making such changes in wages or working conditions a joint meeting of employes' representatives in the divisions affected and proper officers of the company shall be called within thirty days after the change in wages or in working conditions in competitive operations is effective, to discuss and determine an equitable method for fixing the new schedule of wages or working conditions in the departments concerned."<sup>1</sup>

### STATUS OF WORKERS AND REPRESENTATIVES UNDER THE PLAN

From the above description of the Industrial Representation Plan of the Minnequa Steel Works, it will be seen that it was almost a duplicate of the one introduced in the coal mines.<sup>2</sup> The only important point of difference lay in the basis of electing representatives. In the coal mines each mine was the unit of representation. The steel works, on the other hand, was divided into divisions, each one of which was the unit of representation. But in all important provisions defining the status, rights, and powers of the employes and their representatives the two plans were alike. The plan in the steel works, as in the coal mines, established formal methods by means of which employes were to present their grievances to the management. These grievances could be presented either by the employes themselves, or if they so chose, by their representatives. It was not made mandatory upon the employes to consult

<sup>1</sup> See Appendix A, page 253.

<sup>2</sup> See footnote 1, page 37.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

their representatives; nor were the representatives to intervene on behalf of their constituents unless specifically asked to do so.<sup>1</sup>

Furthermore, it was not made obligatory upon foremen, superintendents or other officials to consult the workers or their representatives in formulating employment policies—with one exception. When making an adjustment in wage schedules or in working conditions after a change had been put into operation by the company's competitors, employees' representatives were to be invited to a joint meeting with company officials "to discuss and determine an equitable method for fixing the new schedule of wages or working conditions in the departments concerned."

The only committee authorized under the plan to make a final decision by majority vote was the Joint Committee on Industrial Co-operation and Conciliation.

"Where the President's industrial representative or one of the higher officials of the company fails to adjust a difference satisfactorily, upon request of the president by the employees' representatives of the division concerned, or upon the initiative of the president himself, the difference shall be referred to the Joint Committee on Industrial Co-operation and Conciliation, and the decision of the majority of such Joint Committee shall be binding upon all parties."<sup>2</sup>

<sup>1</sup> Subsequent to our investigation, President Welborn ruled (Third joint conference of management and employees' representatives held on November 29, 1921, in the Minnequa Steel Works) "that it was well within the spirit of the Industrial Representation Plan for a representative to take up matters that might come under his observation, and which he thinks are not right."

<sup>2</sup> Industrial Representation Plan and Memorandum of Agreement Respecting Employment and Living and Working Conditions in the Minnequa Steel Works. See Appendix A, page 246.

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Neither the annual nor quarterly conferences nor any of the joint committees were given power, with the single exception mentioned, to decide finally the disposition of any subject referred to them. The sentence defining the duties of each committee reads as follows:

"The Joint Committee on ————— may of its own initiative bring up for the discussion of the joint conferences or have referred to it for consideration and report to the president or other proper officer of the company at any time throughout the year any matter pertaining to. . . ."<sup>1</sup>

In other words, each committee or conference might discuss and consider a wide range of subjects relating to employment policies. But any conclusions reached were not final policies to be put into effect by the management, but rather matters to be reported to the president or other proper officer of the company. Final action was reserved for these officers. Thus, under the plan the representatives could report grievances only when instructed to do so by their fellow-workers and had no authority to initiate changes in labor policy.

With regard to hours of work, wages, and working conditions, the plan of the Minnequa Steel Works, as in the coal mines, accepts substantially the standards established by the company's competitors. But from the workers' point of view an important difference exists in the method of determining standards in the two industries. In the bituminous coal industry these standards are established in a joint conference of representatives of the operators in the central competitive coal field and representatives of the United Mine Workers of

<sup>1</sup> See Appendix A, page 243.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

America, the international union of coal miners in this country and Canada. Thus, the coal miners employed by the Colorado Fuel and Iron Company, as part of the community of coal miners throughout the country, have some assurance that their needs will be taken into consideration when basic national standards are drafted. But in the steel industry national standards are formulated by the United States Steel Corporation, which, as has been shown, has no organized means of consulting either its own employes or representatives of the industry as a whole. Thus, the steel workers are not represented when basic standards are established in the industry as a whole.

Thus far we have analyzed only the written plan of employes' representation put into effect in the Minniqua Steel Works in May, 1916. But more interesting and significant is the story of the operation of the plan, and the powers and functions assumed under it by the workers and their representatives. This story will be told in the following pages.

## CHAPTER IV

### INTRODUCTION OF THE EIGHT-HOUR DAY

WE HAVE already pointed out that steel making involves handling huge quantities of metal in a molten or heated condition; that most of the departments of a steel works must therefore be in continuous operation; and that consequently the twelve-hour shift became early established and was, until late in 1923, the prevailing working day in the continuous processes of the steel industry. Indeed, as late as 1920, all estimates indicated that approximately one-half of the men engaged in the essential processes were on the job, day or night, for a period of twelve hours.

#### THE TWELVE-HOUR SHIFT IN THE STEEL INDUSTRY

Public opinion long ago condemned the twelve-hour shift. Following his investigations as a member of the staff of the Pittsburgh Survey in 1907 and 1908, John A. Fitch described the evils of the long working day in *The Survey*<sup>1</sup> and later in a book, *The Steel Workers*.<sup>2</sup> Stirred by the findings of the Pittsburgh Survey, a group of minority stockholders under the leadership of Charles M. Cabot were instrumental in having a special

<sup>1</sup> Fitch, John A., "The Steel Industry and the Labor Problem," *The Survey*, Vol. xxi, March 6, 1909, pp. 1079-1092.

<sup>2</sup> Published by Charities Publication Committee (for the Russell Sage Foundation), New York, 1911.

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committee of stockholders appointed in 1911 to investigate labor conditions in the steel industry. This committee submitted a report at the annual meeting of stockholders of the corporation, held in 1912, and pointed out "that a twelve-hour day of labor followed continuously by any group of men for any considerable number of years, means a decreasing of the efficiency and lessening of the vigor and virility of such men." The committee concluded also that from the point of view of community welfare, the long shift is harmful. "When it is remembered," reads the report, "that the twelve hours a day to the man in the mill means approximately thirteen hours away from his home and family, not for one day but for all the working days, it leaves but scant time for self-improvement, for companionship with his family, for recreation and leisure. . . ."<sup>1</sup>

The recommendation of the committee that steps be taken to reduce "the long hours of labor" was referred to the Finance Committee of the corporation. This committee reported at the meeting of stockholders a year later (1913) that the United States Steel Corporation could not establish a shorter working day unless its competitors would do likewise. A resolution was introduced to take the initiative in enlisting the cooperation of steel manufacturers in establishing the eight-hour day. The resolution was tabled.

Subsequent to the Pittsburgh Survey, Mr. Fitch, as industrial editor of *The Survey*, continued in co-operation with other specialists who had made first-hand studies to expose the social problems arising from the

<sup>1</sup> From the Stockholders' Committee Report to the annual meeting of the United States Steel Corporation, 1912. Quoted in *The Survey*, Vol. 45, p. 797, March 5, 1921.



## INTRODUCTION OF EIGHT-HOUR DAY

twelve-hour shift. In 1913 the United States Senate adopted a Report on Conditions of Employment in the Iron and Steel Industry in the United States, made under the direction of Charles P. Neil, then Commissioner of Labor. This report, the result of a thorough study by a number of investigators, said, among other things, that the "schedule of working hours" was "the labor problem of the greatest importance in the iron and steel industry." In 1919 came the national strike of the steel workers, followed by an investigation and a report made by a special committee of the Interchurch World Movement which condemned the twelve-hour shift in unmistakable language. The Federal Council of the Churches of Christ in America also brought pressure to bear in arousing public sentiment against the long day in the steel industry. Special investigations of various phases of the problem were made under the auspices of the Cabot Fund, and the results were given to the public through the press and through public meetings. In addition, various engineering societies lent their weight as technicians in condemning the twelve-hour day from the point of view of efficient management. Since 1918, officials of the Colorado Fuel and Iron Company have, as we shall later see, also played an important part by throwing open the record of their experience with the eight-hour day to educate public opinion in favor of a shorter workday in the steel industry.

At the annual meeting of the stockholders, held in New York on April 18, 1921, Judge Elbert H. Gary, the chairman of the Board of Directors, reported that the officials of the United States Steel Corporation and of the subsidiary corporations had "devoted much time

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

to the twelve-hour-day question" but had not "as yet been able to reach a conclusion." The principal difficulty, they averred, arose from the fact that "the workmen themselves are unwilling to have the hours of labor decreased for the reason that they desire the larger weekly compensation resulting from the long hours." The chairman said that public opinion was against the twelve-hour day, and that the officers of the corporation were in favor of reducing the hours of work. His statement in part follows:

"We are not ignorant of the fact that there is more or less public sentiment against the twelve-hour day; and if it were practicable we would be glad to lessen the hours throughout our entire organization. We do not, however, endorse the claim sometimes made by public speakers that we should ignore the wishes of our employes in this respect; nor do we feel certain that twelve hours per day in all cases is necessarily injurious or objectionable. The officers of our respective subsidiary companies who are most in favor of permitting work of twelve hours per day where the work is necessarily continuous are those who have heretofore personally been employed twelve hours per day or more, either in the shops or on the farms, and have reached their present higher positions by reason of their demonstrated ability and success.

"The officers of the corporation, the presidents of subsidiary companies, and a majority of others in positions of responsibility are in favor of abolishing the twelve-hour day, and for this reason and because of the public sentiment referred to, it is our endeavor and expectation to decrease the working hours—we hope in the comparatively near future. We have

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been disappointed by our inability heretofore to accomplish our purpose in this regard.”<sup>1</sup>

The unwillingness of the United States Steel Corporation to introduce a shorter workday in 1921 did not deter public spirited citizens and organizations from continuing to agitate for a more humane workday until President Harding called a conference in the White House on May 18, 1922, to discuss the abolition of the twelve-hour day. Forty members of the American Iron and Steel Institute were present. Following this conference, Judge Elbert H. Gary appointed a committee of nine on May 26, 1922, to make a “careful and scientific investigation and to report to the steel industry conclusions and recommendations regarding the twelve-hour day.”<sup>2</sup> One year later, on May 25, 1923, this committee reported to the American Iron and Steel Institute against abolishing the twelve-hour day at that time. The report, which was adopted unanimously by the Institute, said: “If labor should become sufficient to permit it the members of this committee would favor entirely abolishing the twelve-hour day, providing the purchasing public would be satisfied with selling prices that justified it.”<sup>3</sup> This report was challenged by progressive newspapers and other public spirited agencies. They urged that steps be taken immediately to eliminate the twelve-hour shift. On June 18, 1923, President Harding wrote a letter to Judge Gary in which he strongly urged the abolition of the twelve-hour day. On June 27, 1923, the directors of the American Iron

<sup>1</sup> Principles and Policies of the United States Steel Corporation, statement by Elbert H. Gary, Chairman, at the annual meeting of stockholders, April 18, 1921.

<sup>2</sup> *The Iron Age*, January 3, 1924, Vol. cxiii, No. 1, p. 36.

<sup>3</sup> *Ibid.*

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and Steel Institute assured President Harding that the twelve-hour shift would be abolished at the earliest time practicable. Following this statement various steel companies began to make serious efforts to introduce a shorter workday. On August 16, 1923, the Carnegie Steel Company, one of the large subsidiaries of the United States Steel Company, began to introduce an eight-hour day, and other companies took initial steps to abolish the twelve-hour day.

The results of these efforts were published in *The Iron Age*, the trade journal of the steel industry, for January 3, 1924. "The outstanding event of the year 1923, so far as the relations of employers and employes in the steel industry are concerned," commented the editors, "was the decision of the leaders to abolish the twelve-hour day, as urged by President Harding." The article reported the results of "a careful investigation to determine exactly what has been accomplished in this movement which followed years of agitation." The investigators found that "the United States Steel Corporation and a number of the independents have virtually completed the change from the twelve-hour shift to shorter hours. The estimate of the Pittsburgh district is that all the employes of the steel corporation and 70 per cent of the independent plants are now working less than twelve hours, while at Chicago and some other centers the change has been carried out with admirable zeal to an even greater extent."<sup>1</sup>

Thus after years of agitation a serious effort was

<sup>1</sup> A union official who is in close touch with conditions in the steel industry writes us (February 20, 1924) as follows with regard to the elimination of the twelve-hour shift in the steel industry: "We can estimate the number of men that are working on an eight-hour shift, but I cannot advise you accurately. My opinion is that about 35

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made in 1923 to abolish the twelve-hour shift in the steel industry as a whole. The Colorado Fuel and Iron Company preceded the general introduction of the shorter workday by approximately five years. This pioneering work was made possible by the opportunity given the workers under the machinery of the Industrial Representation Plan to express to managerial officials their real desires as to the length of the working day.

### CRITICISM OF THE TWELVE-HOUR DAY BY MINNEQUA STEEL WORKERS IN 1917

Under this plan, it will be recalled, the management agreed to maintain a schedule of hours which would not "at any time be less favorable to the employes than the hours of labor in similar operations conducted by the company's competitors." Accordingly, when the plan was introduced, the twelve-hour day was the working period in the Minnequa Steel Works as it was throughout the industry. But almost from the very beginning of the plan the employes were active in their efforts to secure a shorter working day. The steel workers at Pueblo, we were told, had desired an eight-hour day for a long time. In January, 1917, a little over six months after the Industrial Representation Plan had been established, a regular joint conference of employes' representatives and company officials was held as required by the plan. One of the representatives then delivered an address on the desirability of an eight-hour working day. He took pains to prepare his statements. He showed what in his opinion the eight-hour working

per cent to 40 per cent of the workers employed in the steel industry are working an eight-hour shift. From 20 per cent to 30 per cent of the men are working a ten-hour shift, and the balance are still working the twelve-hour day."

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day would mean in terms of efficiency for the company, in terms of individual and family welfare, and in terms of community betterment. He argued that the men did not put forth their best efforts when they had to stay at their jobs every day for so long a period, and was of the opinion that they would produce as much, if not more, when working eight as when working twelve hours. He further showed what harmful effects, in his opinion, such a long working day had on family and community life. He pointed to the fact that if one should calculate the time it takes to walk to and from the steel plant, and to eat meals, the twelve-hour shift meant that a steel worker actually put in at his job considerably more than twelve hours a day. The rest of the day was spent in sleeping. The average steel worker, consequently, had hardly any time for his wife and his children, not to mention participation in community activities.

Prior to entering the conference, we were informed, all of the employees' representatives were most outspoken in favor of the eight-hour shift and expressed the opinion that the management should be asked to establish such a working day. When the speaker was through with his statement, however, no other representative was bold enough to rise and endorse his plea. They were afraid, we were told, that they might antagonize the officials of the company. This feeling on the part of the workers was no reflection on the officials. The Industrial Representation Plan had been in operation but a short time, and for a worker to ask for the abolition of the twelve-hour shift at that time was an act which took an unusual degree of courage.

President Welborn, in replying for the management,



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declared that he agreed with the representative who had spoken about the benefits of the eight-hour day. But nothing, he said, could be done by the Colorado Fuel and Iron Company to reduce the working day until the United States Steel Corporation had reduced the length of the working day in its plants. This attitude was in accordance with the memorandum of agreement which accompanied the Industrial Representation Plan. The minutes of this meeting read:

“Mr. Welborn shared the view of [the representative who had spoken] in regard to the eight-hour working day, but stated that from the standpoint of competition, the company could do nothing in the way of reducing its working hours at the plant until some similar action had been taken by the United States Steel Corporation.”

In January, 1917, the establishment of an eight-hour day in all branches of the steel industry was looked upon by the Minnequa workers as a far-off Utopia.

## INTRODUCTION OF THE BASIC EIGHT-HOUR DAY IN THE EAST

In the summer of 1918 the United States Steel Corporation established the basic eight-hour day. This did not mean that the men would work eight hours only on a shift. On the contrary, it meant that they would continue to work twelve hours a day. Their rates of pay, however, would be based on an eight-hour working day, with time-and-a-half for overtime. In other words, under the basic eight-hour day, an employe worked twelve hours, but was credited with four hours overtime, for which he received one and one-half times

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the regular rate. Thus he was paid for fourteen hours at the basic rate, or, in effect, he received an increase of  $16\frac{2}{3}$  per cent in the rate of pay. The steel workers in Pueblo read in newspapers and journals about the establishment of the basic eight-hour day in the East. They knew that under the Industrial Representation Plan the management of the Colorado Fuel and Iron Company guaranteed its employees hours and pay as favorable as those prevailing in competing steel companies. They awaited the action of the management in Pueblo with great interest, hoping that at this time steps might be taken to introduce the actual eight-hour day.

### MINNEQUA WORKERS OFFERED THE BASIC EIGHT-HOUR DAY IN 1918

The company did not lose time in its effort to secure the necessary information on the subject, and the general manager was immediately sent East to make a first-hand investigation. He returned to Pueblo and drafted a new schedule of working hours to conform with the changes which had been made by the Steel Corporation and submitted it to the workers. Because of the severe influenza epidemic in the fall and winter of 1918, this official did not call a meeting of all the representatives from the various divisions into which the steel works, as we have seen, is divided for the purpose of administering the plan.<sup>1</sup> Instead he summoned the representatives from each division in turn. He began with the first division, which consisted of employees engaged in the blast furnace department. He proposed the basic eight-hour day, but because at

<sup>1</sup> See page 54.

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this time some of the departments of the Minnequa Steel Works were running slack, he also proposed a reduction in hours for all those not working on continuous processes. Specifically the plan was that those engaged on continuous processes should work twelve hours with pay for fourteen hours; that some of those not engaged in continuous processes should work ten hours and forty minutes with pay for twelve hours, and the others nine hours and twenty minutes with pay for ten hours. The representatives refused to commit themselves on this proposition before consulting their constituents.

Each department received the same offer and gave a similar answer until the representatives of the seventh division came into conference; they proposed the adoption of an actual eight-hour day.

### MECHANICS ASK FOR ACTUAL EIGHT-HOUR DAY

The seventh division comprises the carpenters, pattern makers, molders, blacksmiths, machinists, and other mechanics usually employed in the shop department of a large steel works. Many of these men are normally members of their respective craft unions. This was especially true at the Minnequa Steel Works in the winter of 1918 because the National Committee for Organizing Iron and Steel Workers was launching its campaign to enlist members for the respective unions. Not only were most of the mechanics members of their unions, but most of the representatives of the division were union men and some were actually officials of local unions. This meant that the management found in these representatives and their constituents a well-defined and crystallized desire for an actual instead of a

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basic eight-hour day—the establishment of an eight-hour working day having for a long time been the goal of all labor unions and of the American Federation of Labor, with which most of them are affiliated.

On their way to their meeting with the general manager, the representatives from this division met the representatives of the sixth division (the wire mill) coming from the conference and asked them how they had fared. The men replied in "discouraged" tones, as some of them told us, "The company won't give us the eight-hour day. They want to put us on the basic eight-hour day—to work ten hours and forty minutes with twelve hours' pay."

Thus prepared, when the general manager proposed the basic eight-hour day to these representatives from the shop department, they asked what the company would be willing to do with reference to an actual and not a basic eight-hour day. The official replied that in some of the eastern plants the mechanics had been put on a straight eight-hour day, receiving 10 per cent increase in wages. If the shop men in the Minnequa Steel Works desired the same adjustment he would have no objection.

"I told the general manager," said one of the representatives, describing this conference to us, "that we would put his proposition up to the men, because we were not authorized at that time to accept anything for them. We then returned to the shop. We called a meeting of the men, and after some discussion they voted for the eight-hour day with the 10 per cent increase in pay; they put the hours from 7 a. m. to 3:30 p. m., with a half hour for lunch. The management agreed to the schedule as suggested by us.

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"After we got the eight-hour day and the men from the other departments learned about it," concluded the representative from the shops department, "they declared themselves emphatically as wanting the eight-hour day with 10 per cent increase, and they got it."

### GENERAL DEMAND FOR THE EIGHT-HOUR DAY

That this actually happened was told us by the representatives of the other departments. The statement of a representative from the blast furnace division, whom we shall call Calhoun, illustrates what took place throughout the works. The general manager, as already noted, had proposed the principle of the basic eight-hour day in Calhoun's division, and he and his fellow representatives had refused to commit themselves until they could consult their constituents. Calhoun returned to the blast furnace department. When the company's proposal was submitted to the men they at first agreed to accept the basic eight-hour day, but as soon as they heard that the shops department had been put on an actual eight-hour day with a 10 per cent increase in pay, they immediately demanded that their representatives secure the actual eight-hour day for them too.

By this time the general manager had left Pueblo for Denver, where the headquarters of the company are situated, with the understanding that the actual eight-hour shift would be introduced in the shops department and the basic eight-hour day in all the other departments of the works.

Calhoun called a meeting of his constituents during the noon hour. One of the three representatives argued against the straight eight-hour day. He was hooted by

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

the men. Calhoun finally asked for a vote, requesting that all in favor of the eight-hour day raise their hands. "Almost everybody did, with a whoop and a yell," Calhoun told us. "A committee was appointed to see the management. I was chairman of the committee. First we called on the master mechanic, who said that it was too late; the matter was settled. We next called on the superintendent. We knew he was opposed to the eight-hour day. He said he would have an answer for us in a few days.

"In the meanwhile," Calhoun continued, "the men from the other departments in the steel works came to me and said that all of them wanted the actual instead of the basic eight-hour day. The superintendent posted a comparative scale of wages showing that the men would earn considerably more on the basic eight-hour day than they would on the straight eight-hour day with the 10 per cent increase. Meanwhile, the men who worked on the east-side boilers walked off their job—actually struck—because they wanted the straight eight-hour day. Some of the other men worked only eight hours and then went home.

"President Welborn then came down to Pueblo on the request of the manager and the representatives and called in the representatives by small groups," Calhoun continued. "Representatives from the blast furnaces and open-hearth departments were called first. I presented to him the real desire of the men. Mr. Welborn asked if the sentiment of the men was conclusively in favor of the eight-hour day. I told him that it was. Another representative also informed Mr. Welborn that all the men wanted the straight eight-hour day. Mr. Welborn would not give us a definite answer im-



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mediately but said that he would consult the representatives of the other departments."

This Mr. Welborn did and found that the representatives were all in accord. Finally a bulletin was posted, on October 29, stating that the straight eight-hour day would be effective in most departments on Sunday, November 3, and would be extended to other departments as rapidly as possible.

### THE ESTABLISHMENT OF THE EIGHT-HOUR DAY

Thus the actual eight-hour shift was introduced in the Minnequa Steel Works on November 3, 1918. At the same time rates of pay were increased 10 per cent.

As an indication of the extent to which steel workers were desirous of securing the actual eight-hour day, the action of the employes of the wire mill is significant. After the company had posted the bulletin announcing the introduction of the basic eight-hour day, a large group of men from this department went to the Labor Temple to get advice. Inasmuch as the health authorities would not permit gatherings in the city because of the influenza epidemic, they arranged for a meeting in a nearby cemetery and asked the manager of the temple to address them and tell them how they could organize a union. At this meeting a lodge of the Amalgamated Association of Iron, Steel and Tin Workers was formed. It was called the Lafayette Lodge.

Some of the superintendents told us that they had not been enthusiastic about the establishment of the actual eight-hour day. They were afraid that it would be difficult to secure sufficient workers for the additional shift. Others feared that the men would become discontented under the straight eight-hour shift

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because their earnings would be considerably decreased. The general manager of the company gave two reasons for offering the men the basic instead of the actual eight-hour day. First, the United States Steel Corporation had just adopted the basic eight-hour day and, in accordance with the Industrial Representation Plan, the Colorado Fuel and Iron Company had agreed to maintain the standards established by its competitors. Second, the management did not wish to diminish the earnings of the employees. In fact, this was the main reason why the general manager and the other officials of the company were in favor of the basic eight-hour day.

The general manager showed us how, with a straight eight-hour day, a large proportion of the men were earning considerably less than they would have earned had they accepted the proposal for a basic eight-hour day. The Steel Corporation, after its adoption of a basic eight-hour day, was paying for unskilled labor 42 cents an hour; this, on the basis of fourteen hours' pay for twelve hours' work, gave daily earnings of \$5.88. At the same time the Colorado Fuel and Iron Company was paying for similar labor at the rate of 46 cents an hour for an actual eight-hour day; while this rate was 10 per cent more than that of the Steel Corporation, it produced daily earnings of only \$3.68. In other words, the unskilled employes of the Steel Corporation who worked twelve hours a day received \$2.20 more a day than the men in corresponding positions in the Minniqua Steel Works who worked only eight hours a day. So large a difference in earnings was a serious disadvantage to the men, especially with the high cost of living that then prevailed. The adoption of the short

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day, even with the 10 per cent increase, also meant lower wages than the men had previously earned when working twelve hours a day.

### WORKERS ENTHUSIASTIC ABOUT EIGHT-HOUR DAY

Nevertheless, it would be difficult for us to exaggerate the enthusiasm of the Minnequa steel workers for the shorter working day of eight hours. The employes' representatives have since 1918 voted each year in favor of the eight-hour day without a single dissenting vote. "If the company ever attempted to reestablish the twelve-hour day," one representative told us in 1920, "the men would just spontaneously walk out on strike and I would be one of their leaders." Another employe who had once been a representative almost went into raptures about the shorter working day. "It has improved my life tremendously," he said. "It has given me some time for my children, for my home, and enabled me to read the books which I have yearned to read for years. When I worked twelve hours a day I hardly knew my family. I hardly ever saw my children. I have heard men say that they would rather die than go back to the old twelve-hour day."

A third representative said: "The greatest thing that has ever resulted from the operation of the Industrial Representation Plan is the adoption of the actual eight-hour working day for the entire plant. The fact that the Colorado Fuel and Iron Company was the first company of its kind in this country to make the actual eight-hour shift effective throughout the plant will go down in history as an extraordinary accomplishment. Great credit is due the officers of the company

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for having worked it out so well and for having applied it in every department."

The opinions related here are typical. Generally the men in their interviews with us expressed elation over the eight-hour day and told us that it meant a new life for them. It was the machinery provided in the Industrial Representation Plan, most of the steel workers further stated, that made it possible for them to secure the goal for which they had long been hoping, the eight-hour shift in the steel industry. Even those among the employes who criticized the plan severely for other reasons readily declared that had it not been for the plan and the spirit shown by the higher officials of the company, the Minnequa steel workers would have received only the same working day as was granted to the employes of the United States Steel Corporation. They would have continued to work, in normal times, the twelve-hour day.

## COMPANY APPROVES OF EIGHT-HOUR DAY

Company officials also have expressed themselves as satisfied with the eight-hour day. Their attitude may best be shown by the position taken publicly by J. F. Welborn, president of the company, in the summer of 1923. At the annual meeting of the American Iron and Steel Institute, already referred to as having been held in New York City on May 26, 1923, a special committee reported against the elimination of the twelve-hour day in the steel industry. Two reasons, in the main, were given for this recommendation: (1) Recent laws restricting immigrants made it difficult to secure the additional labor force which would have to be employed if the steel industry were put on a basis of three shifts

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of eight hours each. (2) The price of steel would have to be increased because of a higher cost of production which would result from the introduction of the eight-hour day. The report of the committee was adopted unanimously by the Institute.

After this report was made public, President Welborn wrote a letter early in June, 1923, to Raymond B. Fosdick, one of the directors of the Colorado Fuel and Iron Company, with regard to the experience of the company with the eight-hour day in the Minnequa Steel Works. The letter was turned over to the Federal Council of the Churches of Christ in America. This organization in turn made it public through the press of the country. The letter covered specifically output and labor costs after, as compared with what they were prior to, the introduction of the eight-hour day. "The immediate results from the standpoint of production per man-hour and of labor cost per unit of output were satisfactory," wrote Mr. Welborn, "and where conditions have been comparable it has been evident that we have lost nothing either in producing cost or output by reason of the change."<sup>1</sup> Mr. Welborn added:

"The trend of production per man-hour, with unimportant exceptions, has been upward since the adoption of the eight-hour day, and in every department of our steel manufacturing operations, from blast furnace to the wire mill, our production per man-hour is now greater than it was when all of these activities were operating on the twelve-hour shift. Comparing these results of the last few months with periods of similar production when basic rates were 10 per cent

<sup>1</sup> *The Rocky Mountain News*, Denver, Colorado, June 12, 1923.

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lower than current rates and the working time twelve hours per day, we find that almost without exception our labor cost per ton is lower than in the earlier periods."<sup>1</sup>

### FACTORS UNDERLYING INTRODUCTION OF EIGHT-HOUR DAY

The fact that the plan was used so effectively by the employees' representatives to secure the eight-hour day in the Minnequa Steel Works raises the question as to how this sudden and really extraordinary change in the traditions of the industry could have occurred. In the first place, a much larger proportion of the employees of the Minnequa Steel Works are English-speaking Americans than is the case in eastern steel plants. The second reason has already been indicated. Trade unionism with its insistence on the eight-hour day was beginning to exert an influence among the Minnequa employees; and certainly the representatives of the employees in the shops department and the active leaders in other branches of the plant were, if not actual members of the unions, at least sympathetic with their aims and programs. It was these men who took the initiative in expressing the sentiment of the men in favor of the shorter working day. In the third place, the management was influenced in favor of a shorter workday by the conditions in their business at that time. As already shown, when the change in working time was being contemplated, the company had few orders on its books. The future demand for steel products looked uncertain; and, inasmuch as the employees' representatives, when expressing their desire for the

<sup>1</sup> Ibid.



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straight eight-hour day, asked for an increase of only 10 per cent as compared with the greater increase that would have been received by most of the workers under the basic eight-hour day, the shorter workday actually turned out to be financially to the advantage of the company.

The main fact in this experience, however, is that the employes of the Minnequa Steel Works feel that by exercising their initiative through the machinery of the Representation Plan they secured what to them was a long-wished-for condition in the steel industry—the reduction of the working day from twelve to eight hours.

## CHAPTER V

### DETERMINATION OF WAGES

UNDER the Industrial Representation Plan, as has been noted, the company agrees to base its rates of pay on those obtaining in competitive establishments. "We produce only 2 per cent of the country's steel," one official explained to us. "We must necessarily, therefore, conform to wages paid by our competitors. When we hear that plants in the East have granted an increase, we either write for the new rates or send a representative to investigate. After ascertaining what the increase is, we determine the proportionate increase to be made in our works. Then we call a meeting of the representatives and submit the new scale to them." This official did not mention any specific company upon which the management based its rates, but he said that the competing territory of the Colorado Fuel and Iron Company extended to and included the steel industry of Illinois. The United States Steel Corporation is, of course, the leading steel producer of this territory, as it is for the whole country.

#### A JOINT COMMITTEE TO REVISE WAGES

On February 14, 1920, the first joint conference of representatives and company officials for the year was held as is stipulated under the representation plan. At this meeting one of the employes' representatives

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asked the president of the company, who acted as chairman, to inform the meeting regarding increases of wages which had just been granted by eastern mills. In reply the president stated that he had not yet received "definite information regarding the raise in the East," and "that it was his intention to appoint a committee to go into that question and determine exactly what the raise has been and how far it extends." This committee, he further informed the conference, would consist of representatives both of employes and management and would visit different plants in the East "for the purpose of satisfying both the employes and the management as to this raise which was said to have been granted."<sup>1</sup>

The management was prompted to appoint this committee by the fact that it was not certain that it had followed exactly the procedure of the United States Steel Corporation in increasing wage rates. For instance, did the increases which the United States Steel Corporation had announced from time to time cover all crafts, including piece workers (those paid at the rate of so much per ton), or did they apply only to hourly workers? It was to answer such questions that the company thought it best to make a first-hand investigation. This suggestion met with the approval of the employes' representatives because, as we shall later see, many of them were dissatisfied with the prevailing method of readjusting wage rates at the Minnequa Steel Works. They told us in brief that their ignorance both of the nature of the jobs and of the rates paid by

<sup>1</sup> Minutes of the First Joint Conference of Minnequa Steel Works Representatives, held at the Minnequa clubhouse, Saturday, February 14, 1920.

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competing plants made it impossible for them to act with intelligence on wage matters arising in Pueblo.

Accordingly, the committee was constituted. The general manager of the company was designated to represent the management. The employees' representatives were asked to elect two of their number to represent the employees, but when the representatives suggested that two men were inadequate to investigate all the wage rates the number was increased to three. The company paid all expenses involved in the investigation as well as the regular wages of the employees' representatives who were on the committee.

Before leaving Pueblo the men's representatives on the wage committee met with the representatives of each department in order to learn the special wage problems confronting their constituents. The joint committee then visited steel mills in Gary, Indiana, and in Joliet, Illinois, Youngstown, Ohio, and Pittsburgh, Pennsylvania. The employees' representatives by themselves interviewed various men on their jobs, while with the general manager of the Colorado Fuel and Iron Company they interviewed the executive officials concerning pertinent wage data. They were not given copies of wage sheets, but all members of the committee made notes of the rates paid for the different jobs. The committee found that the rates paid in the Minnequa works were in general similar to those paid by competitive companies.

With this information the committee returned to the Minnequa Steel Works. The general manager called in the representatives from the several departments and in the presence of the committee readjusted the wage rates to make them conform with those obtaining

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in the competitive plants visited. This readjustment amounted, with few exceptions, to an increase of 10 per cent over what they were then receiving.

### PREVAILING METHOD OF READJUSTING WAGES

This was the first time since the establishment of the Industrial Representation Plan that a joint committee had been appointed to study and revise wages. The usual procedure for readjusting wages in the Minnequa Steel Works had been quite different. From May 6, 1916, when the plan went into effect, until January 1, 1920, wages had been increased six times in the Minnequa Steel Works, amounting each time roughly to an increase of 10 per cent over previous rates. The method of introducing these new wage schedules has already been indicated. Through newspapers, trade journals, and other sources the management would learn that the United States Steel Corporation had announced an increase in wages. Either through correspondence or through a personal investigation an effort would be made to learn the exact amount of the increase and its application to the various crafts engaged in the industry. Then the responsible officials of the Colorado Fuel and Iron Company would draft a new scale of wages for the Minnequa Steel Works. Having done this the management would call a meeting of the employees' representatives and submit for approval the wage rates which had just been worked out. In practice the representatives always ratified the increases, and the newly drafted schedules were posted and went into effect immediately.<sup>1</sup>

<sup>1</sup> See footnote on page 97 for wage negotiations subsequent to our investigation.

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### REVISING WAGES DOWNWARD

Essentially the method just described was followed by the management in January, 1921, in initiating a wage reduction. On December 11, 1920, a joint annual meeting of the representatives of the steel workers and coal miners of the Colorado Fuel and Iron Company, with its officials, was held at Pueblo. The president of the company outlined the serious business situation prevailing throughout the country and facing the Colorado Fuel and Iron Company in particular. About three weeks later, January 4, 1921, a joint conference was called of company officials and employees' representatives of the Minnequa Steel Works only. A reduction of 20 per cent in wages was proposed. The following review of the meeting was prepared by President Welborn on the following day, January 5, 1921:

"At a meeting between employees' representatives and company officials last night, the market conditions on steel were fully discussed. It was shown that our costs on the principal products, due in part to increased freight rates on raw materials, had for many months been several dollars per ton higher than competitive selling prices. Unless our producing costs can be greatly reduced the business that will be available to us during the next few months cannot be taken and a large portion of the plant will of necessity be idle indefinitely. Wage reductions have already been made throughout the East and one of our most active competitors has established a common labor basis of 35 cents per hour. The management is trying to eliminate all waste and to effect



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every possible saving, but this alone will not meet the situation. In addition a reduction of not less than 20 per cent in wage rates is necessary to bring our costs to within reach of the selling prices without allowing a profit. With such a reduction in the rates we can immediately resume operations in the east mills and Wire Department and can continue those mills in operation on at least half time for some months, as with the reduced costs we will feel safe in storing such wire and nails as cannot be immediately sold. The reduced costs will also enable us to take rail business now offered, sufficient to keep the rail mill running at the present rate of production, most if not all of the year. We regret the necessity for this proposal but conditions make it unavoidable. Immediate action is necessary as our regular customers are urging us to tell them without delay whether or not we are going to meet competitive prices."

The employees' representatives objected to taking immediate action. They pointed out that they did not wish to assume the responsibility of agreeing to a wage cut without consulting their constituents. Finally they adjourned to meet by themselves. The representative from the wire department, one of the departments which had been shut down, moved that the reduction of 20 per cent be accepted, to take effect January 1. In explanation of his motion he stated that he was certain that the men in his department would rather work at lower wages than continue without work. The motion was seconded. But the majority of the representatives from the other departments were opposed to the motion. They felt that a decrease of 20 per cent was excessive.

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After considerable discussion the representatives drafted a resolution, which was later approved by their constituents, stating that a wage reduction of 15 per cent should be accepted, effective January 16. This was on January fourth.

The resolution was read to company officials at another joint meeting held the same evening. The management indicated that a reduction of 20 per cent was necessary to meet competitive prices of steel. It was agreed that the representatives should consult their constituents on the following day and report the results to the management. The president prepared the statement quoted above, giving reasons for a decrease in wage rates of 20 per cent. This statement the representatives took with them and during the following day canvassed the employes of the several departments. Then the representatives met again, and all but four (who were opposed to any decrease) voted for a decrease of 15 per cent. The management agreed to this reduction and it went into effect, as suggested by the men, on January 16, 1921. The reduction did not affect the switchmen, because their representative argued that they were classed with the railroad employes who worked for the company and that the wages of these men were governed by the Railway Labor Board, which had not decreased wages.

Thus the usual procedure of the management, both in increasing and decreasing wage rates, was first to determine what the percentage of increase or decrease should be and then to submit it to the representatives for approval. The appointment of the joint wage committee, described at the beginning of this chapter, to adjust wage rates was an exception to the prevailing

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practice.<sup>1</sup> Comments made to us by the representatives and other steel workers on this method of determining wages will be given after we have described the procedure for adjusting wage grievances.

## GRIEVANCES RELATING TO WAGES

From time to time individual steel workers, as well as groups of workers in the Minnequa plant, have had

<sup>1</sup> One of the active employes' representatives in the Minnequa Steel Works wrote us in March, 1924, about wage adjustments made since our investigation. He points out among other things that since the investigation of wages in eastern plants by the joint committee described in this chapter, two other joint committees had been appointed to make similar investigations. This representative goes on to say in substance:

In July, 1921, the United States Steel Corporation announced another reduction of 20 per cent. It also announced the elimination of the basic eight-hour day, which meant paying only straight time instead of time and a half for all work over eight hours. President Welborn met with the employes' representatives, reviewed the action taken by the Steel Corporation, and stated that a similar reduction would have to be made in the Minnequa Steel Works. The representatives argued lack of information. They were then told that a joint committee would be sent East to make a complete investigation. This committee consisted of three employes' representatives elected by all of the representatives and the manager of the Minnequa Steel Works. A thorough investigation was made in Chicago, Youngstown, Pittsburgh, Buffalo, Cleveland and Johnstown. We found that wages were 25 to 35 per cent lower in the East than here (Pueblo). We returned to Pueblo and after negotiating with the management agreed to a reduction of 15 per cent in rates of pay. Contrary to the practice of the United States Steel Corporation, no action was taken in the Minnequa Steel Works to eliminate paying time and a half for overtime work.

Due to depression, operations were very much reduced in the Minnequa Steel Works until the first of the year (January, 1922), when business began to pick up. In December, 1921, the representatives were again called to meet with President Welborn, and very much to our surprise we were told that a flat reduction of 10 per cent in our wages would be necessary in order to reduce costs sufficiently to secure orders. (This proposed reduction was apparently intended to bring the total reduction in the Minnequa Steel Works to that made by the United States Steel

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complaints with regard to wages. A representative in the Fourth Division requested of the president's chief industrial representative in 1919 that each employe of his department be furnished with a daily statement of the weight of the steel turned out by him. He asked this, he told us, because he and his fellow-workers suspected that unnecessary deductions were made from the tonnage produced by them. They were paid on a piece basis—so much per ton. The management com-

Corporation. That is, during 1921, the United States Steel Corporation had announced two wage reductions of 20 per cent each, while the Colorado Fuel and Iron Company had made two reductions of only 15 per cent each.) The company officials withdrew from the meeting and without any discussion we, the representatives, voted unanimously against the proposed reduction. We called Mr. Welborn and so informed him. Several days later the company gave thirty days' notice, as required by law, to the Colorado State Industrial Commission, proposing to reduce wages 10 per cent in the Minnequa Steel Works. The Industrial Commission granted the company's petition, posting a notice that the reduction was fair and not detrimental to public welfare. As orders were scarce the company naturally laid off all the men who could be spared and those who were retained worked only two or three days a week. Conditions were very bad. Most of the men had not worked for several months and we, the representatives, knew the plant would not start until the proposed reduction in wages took effect. Realizing that the men were suffering (and the company was only asking us to live up to the agreement to accept the same reductions as were made by its competitors) a meeting of the representatives was called and after considerable discussion it was voted to agree to the reduction of 10 per cent to be effective January 1, 1922 (instead of December 16, 1921, as was first proposed by the company), with the distinct understanding that the plant would resume working on as large a scale as possible. A committee was elected to meet Mr. Welborn and place the proposal before him. After considering the matter with other officials he agreed to the proposal, and that very night (December 20, 1921) men were called to work and every effort was made to resume operations.

Following this reduction increases were made in the Minnequa Steel Works to conform with increases announced by the United States Steel Corporation. In August, 1922, an increase of 20 per cent was granted in the Minnequa Steel Works after a similar increase had been made in the plants of the United States Steel

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plied with the request, as embodied in the report of the chief industrial representative:

"Representative William Dayton said the men in the Fourth Division working on tonnage basis would be better satisfied if there was a system by which statements of work done could be furnished daily, so that at the end of the month they would know exactly the basis on which their pay was figured. . . .

"Mr. Matteson wrote Representative William Dayton May 29 that at a meeting with superintendents held May 12 it was reported that the recom-

Corporation. But in the Minnequa Steel Works common labor was paid one-half cent an hour above the 20 per cent increase; that is, while an increase of 20 per cent would have meant only 39½ cents an hour, the management agreed to pay 40 cents an hour.

In the fall of 1923 the United States Steel Corporation announced the elimination of the twelve-hour day with an increase in wage-rates of 25 per cent and a change from twelve to eight hours for those engaged in continuous operations; and later an increase of 10 per cent in wage-rates, with a change from twelve to ten hours, for those not engaged in continuous operations; a 10 per cent increase in wage-rates was also given to those who were already working ten hours a day. A meeting was held of the employes' representatives and company officials of the Minnequa Steel Works to consider a readjustment of rates to conform with the increases just announced by eastern competitors. It was decided that it would be best for a committee to be sent East to investigate. This was done and the committee reported increases in eastern plants as just described. To meet these increases exactly in the Minnequa Steel Works would have meant that the men engaged on continuous operations would have received an increase of approximately 14 per cent and the others an increase of approximately 10 per cent. As can well be imagined this would have caused great dissatisfaction. After considerable discussion between employes' representatives and company officials it was agreed to compromise on an increase of 12 per cent for all workers with the understanding that hospital fees were to be raised from \$1.00 to \$1.50 a month and that rents of houses owned by the company were to be increased. But rents were not raised because the representatives contended that such action might start a general raising of rents throughout the community.



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mendation above outlined had been complied with  
...<sup>1</sup>

Another representative in the pipe foundry complained in December, 1918, to the president's industrial representative that some of the employes in that division had not been paid time and a half for work done after eight hours. This official reported that "the matter was adjusted by Mr. Parks [the manager], and the men are being paid the same as the other employes for that time."<sup>2</sup>

## STANDARDIZATION OF RATES

Prior to 1920 a large number of complaints dealt with the principle of "equal pay for equal work." As we shall show, most of these grievances were adjusted with satisfaction to the men after the investigation of eastern wage rates made by the joint wage committee, which was appointed in February, 1920. The complaints are described here, not because we heard them in the Minnequa Steel Works in 1921, but because they were uppermost in the minds of the men when we first interviewed them in 1919, and because we wish to illustrate the company's methods of dealing with the difficulties of establishing wage rates. Again and again in 1919 we would run across employes whose particular grievance consisted of the fact that, in their opinion, they were doing exactly the same work as their fellow-workers but were receiving a lower rate of pay. The following complaint of Negro switchmen in 1919 was settled in a

<sup>1</sup> Summary of report of B. S. Matteson, president's chief industrial representative, March 28, 1919.

<sup>2</sup> Summary of report of Harrington Shafer, president's industrial representative, Minnequa Steel Works, December, 1918.



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manner satisfactory to them. They received less than their white fellow-workers who were working under a trade agreement negotiated by the representative of the Brotherhood of Railroad Trainmen.<sup>1</sup> On the presentation of this condition as a grievance to the president's industrial representative, their rates were increased. The report follows:

"The Negro switchmen explained that they and their fellow-workmen had been faithful to the company, had worked through the railroad strike<sup>2</sup> of last December and that they wished to deal with the management, in accordance with the Industrial Representation Plan, and not through the committee of the Colorado and Wyoming [Railway] employees. They also thought they had not received wage increases proportionate to those granted other railroad men. . . .

"The committee left with Mr. Matteson a petition signed by 22 Negro switchmen in regard to wages and working conditions.

"(At a conference attended by Mr. McKennan, vice-president of the Colorado Fuel and Iron Company, . . . it was agreed that the Negro switchmen's helpers, who had been paid 55 cents per hour, should be rated as switchmen at 64 cents per hour and should receive 66 cents per hour as head switchmen. The committee of Negroes accepted this adjustment, and subsequent reports indicated that all the employees concerned were satisfied with the arrangement.)"<sup>3</sup>

<sup>1</sup> See Chapter IX, Trade Agreement with the Railway Employees, page 197.

<sup>2</sup> See Chapter VIII, Strike of the Minnequa Steel Workers, page 165.

<sup>3</sup> Summary of report of B. S. Matteson, president's chief industrial representative, June 11, 1919.

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Other cases involving a similar principle were not disposed of so favorably to the men as the one just described. For instance, in 1916 the industrial representative reports as follows on a request for equal earnings by the men working on a piece basis:

"Ninth Division.—'Wage Rates.'—Representative Rogers reported dissatisfaction of tonnage men at the Farmer's Shear with answer of department head to their complaint of inequality of earnings as compared with earnings of the tonnage men at the Tin Plate Shear.

"As the tonnage rates now paid at the two shears conform substantially with rates paid for similar work elsewhere, I do not see any basis on which to further equalize the earnings of the men."<sup>1</sup>

A like request made in 1916 by the representatives of the electrical inspectors to make their rates equal with those paid the same class of workers in other plants was at first denied. The employees' representatives were asked to secure evidence from competing steel works. The report of the president's industrial representative reads:

"Representative Lee states that the electrical inspectors (throughout the plant) feel dissatisfied about the manner in which the wage question was settled, claiming the scale is not in conformity with other plants. The question had been brought to the attention of Mr. McKennan and Mr. Parks at the meeting held with representatives of the Fifth Division on May 18.

<sup>1</sup> Summary of report of Harrington Shafer, president's industrial representative, June and July, 1916.

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“(In a later conference the representatives stated that they had no definite facts as to the wage scale paid electricians in other plants. They were shown the wage scale on which the present rate at Minnequa had been established, and agreed that this was satisfactory, unless they secured some definite information confirming the rumor as to an increased scale in eastern plants.)”<sup>1</sup>

In conversation with us the representatives involved in this grievance stated in 1919 that the disposition made of the case was not satisfactory because, although they had tried, it was almost impossible for the employees' representatives to secure information about wage schedules from the plants of competing steel companies.

It was not until 1921 that this grievance was finally adjusted satisfactorily. The joint wage committee had found in its investigation that the rates of electrical workers in the Minnequa plant were equal to, and in some instances higher than those, paid electricians in eastern mills. In January, 1921, the representatives of these men changed their argument and contended that the rates paid electrical workers were lower than those paid other mechanics in the Minnequa Steel Works. After several meetings between the representatives, the two superintendents involved, and the general manager of the company, the wages of electrical men were increased, on the average,  $11\frac{1}{2}$  per cent. This increase was deducted from the reduction of 15 per cent in wage rates which was being made throughout the plant at the time; so that the average cut for electrical workers was only  $4\frac{1}{2}$  per cent.

<sup>1</sup> Ibid., July, 1916.

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The pit crane operators in the 40-inch mill in October, 1917, requested the same rate of pay as the pit crane operators in the rail mill. The superintendent denied the request. He stated that the operators in the rail mill worked under more severe conditions than the operators in the 40-inch mill. The report follows:

"The pit crane operators requested the same rate of pay as is paid to operators of pit cranes at the rail mill. When Representative Curran repeated to the men Superintendent Chapman's explanation that he could not recommend that the change be made because the conditions under which the men at the rail mill are working are much more severe, owing to the construction and mode of operating the cranes and the construction of the building, the men decided to let the matter drop."<sup>1</sup>

The men involved were not satisfied with this decision. They pointed to the fact that it was the superintendent who decided which conditions were the more severe. They let their request drop, they told us, because they were reluctant to go over the head of the superintendent and engage in a controversy with him before the superior officers of the company.

In 1918 another important grievance arose, which was finally referred to the Joint Committee on Industrial Co-operation and Conciliation. It was a test case in the eyes of the men, involving the principle of paying the same rate for the same type of work. Two blacksmiths were working in the blast furnace department. The rate there was lower than that paid to blacksmiths in the main blacksmith shop of the plant. These two

<sup>1</sup> Ibid., October, 1917.

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blacksmiths asked for but were refused the higher rate. They then asked for a transfer to another department. It was granted them. After being transferred, they wished to return to the blast furnace department, but again requested that they receive the rate paid in the main blacksmith shop. The officials refused to do this, and the case was taken up by one of the employees' representatives.

A special meeting of the Joint Committee on Industrial Co-operation and Conciliation was called in December, 1918. The management contended that the men were not entitled to the same rate as that paid in the main shop, because the blacksmiths in the blast furnace department did not do the same kind of work as the blacksmiths in the main shop. The management further argued that the local steel works was paying five cents more an hour than eastern plants for blacksmiths' work in blast furnaces. In the third place, the company contended that these two men had asked for transfers, and it would not be fair to remove the two men who had taken their places in order to reinstate the first holders of the jobs.

This case was finally dropped, chiefly because the men had been transferred in accordance with their own request. While for this reason the grievance of the men lacked force, it was nevertheless an important case in the eyes of the employees' representatives and the steel workers in general, because it again raised the question of equal rates for what they insisted was equal work. This probably was one of the most discussed cases in 1919. A company official told us, however, that blacksmith work in the blast furnace was not similar to that in the main shop. It was easier and less skilled.

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Some of the employees' representatives contended that it was unfair to compare the rates of the blacksmiths in the Minnequa Steel Works with those in eastern plants, because the jobs are entirely different. In eastern plants a blacksmith in the blast furnace department does nothing except straighten out rods, while in Pueblo the blacksmith does the general work expected of a blacksmith. The management declared that this was not so. A member of the joint wage committee appointed in January, 1920, found in his tour of investigation into eastern plants, however, that the workers had been correct in their contention, and that therefore it was both unfair and unsound to base the rates for blacksmiths in the Minnequa works on those paid the same crafts in eastern plants. Later the rates were adjusted in accordance with findings of the wage committee.

One representative stated that this case illustrates a fundamental weakness in the present system of determining rates of pay under the Industrial Representation Plan. Assuming even that it is a sound principle to use the rates prevailing in eastern plants as a basis of wage determination, an error often occurs in that, while the same names may be used for certain jobs, the nature of the work may be entirely different. It should be added, however, that when errors of this kind have been discovered the rates have always been readjusted.

### THE CASE OF THE DIE-REAMERS

In 1919 another case arose which the representatives pointed to as an example of their grievances in dealing with rates of pay. It involved the rates of pay for die-reamers. These workers make the dies in steel castings



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through which steel rods are drawn in order to produce wire. At a meeting of the Joint Committee on Cooperation and Conciliation on February 14, 1919, the representative from the wire mill presented a petition from the die-reamers, who asked that their rates of pay be graduated according to length of service and that the maximum or top rate be paid at the end of three years. A number of die-reamers had put in enough service to receive the top rate of pay. As they did not receive it they felt aggrieved.

The manager of the steel works was chairman of the committee. He said that he would consider the request. At the meeting of the committee in April, the representatives again brought this question up. The men had again complained that they were entitled to higher rates according to the length of service they had put in. The manager referred the request to the superintendent of the wire mill. This official stated at the meeting that he could not pay the top scale to the men who had petitioned for it. When the representatives pressed him for a reason he said, in substance, that he was limited in authority as to the number of men to whom he could pay the top rate.

The management at one of these meetings offered to put the die-reamers on a piece work basis but the men refused, contending that their grievance was not about the adequacy of the rates but about the rate to be paid after a certain length of service.

The case was finally dropped by the men in 1919. It was one of the most serious causes of complaint heard among the steel workers at that time, especially among those employed in the wire mill and among the representatives familiar with the facts. It was finally

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adjusted by the joint wage committee in 1920 after its investigation of eastern plants. The management worked out a new schedule. A man now starts as a die-reamer at the low rate. Every six months his rate is increased. At the end of three years he receives the top rate.

### LACK OF PARTICIPATION OF WORKERS IN DETERMINING WAGE STANDARDS

Some of the steel workers and their representatives whom we interviewed were critical of the methods followed by the management of the Colorado Fuel and Iron Company in determining general wage rates as well as in adjusting specific wage grievances. They pointed to the fact that only once since the inauguration of the plan had they been given a real opportunity to participate with any effectiveness in formulating a wage schedule for the plant, and that was when the joint wage committee was appointed early in 1920 for the purpose of visiting eastern plants in order to secure first-hand data as a basis for revising the wage rates in the Minnequa Steel Works.<sup>1</sup>

The employees' representatives on this committee were of the opinion that they themselves lacked the experience and training, and that not enough time had been spent on the inquiry to make it a thorough wage study. For it involved not only a study of wage rates but also an analysis of the actual work done in various plants on jobs which may have the same name. Moreover, they had found difficulty in securing complete and absolutely accurate data. But, nevertheless, with all

<sup>1</sup> As already noted, since our investigation two joint committees have been appointed to investigate wages in eastern steel mills. See footnote, page 97.

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of the difficulties, they felt that for the first time they really had got some definite information upon which to base an intelligent conclusion; and since they were present at the discussions and had been consulted when the rates of all crafts were being revised in the general manager's office after the committee had returned to Pueblo, they felt that for once they had actually participated in determining wages in the Minnequa Steel Works.

So highly did they value this experience that a number of the representatives were disappointed when the committee was dismissed and no provision made for a permanent joint wage body.<sup>1</sup> In their opinion the usual method of determining changes in wages followed by the company was perfunctory and did not afford them any real share in deciding what wages should be paid. The company ascertains as nearly as it can, these men point

<sup>1</sup> In 1921, subsequent to our investigation, the Joint Committee on Industrial Co-operation and Conciliation was changed, as already noted, to the Joint Committee on Co-operation, Conciliation and Wages. One employees' representative who has held office for over five years wrote in March, 1924: "The question of 'wages' was added to the duties of the committee at our (the representatives') request because we had no effective means of dealing with this important matter and while before this our efforts were most always without result, things are different now. I would state that with very few exceptions, wage cases taken up with the local management previous to making wages a part of the duties of the Joint Committee on Co-operation and Conciliation met with scant consideration."

President Welborn, on the other hand, in 1924 challenged our interpretation of the attitude of the steel workers on methods of adjusting wages in the Minnequa Steel Works in the following words:

"It is worthy of note that prior to the advance of 1918, which was made by the establishment of a basic eight-hour day, all increases had been publicly announced through daily papers and trade periodicals in such a way as to leave no room for doubt as to the extent of their application. Repeatedly in conference representatives have expressed themselves something like this:

"The papers say that the steel manufacturers and others have increased their rates 10 per cent. If that is so, there is

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out, what the new rates paid by competitors are, drafts a new scale, and then submits it to the employees' representatives. The representatives usually ratify the scale as drafted by the management. This does not give the employees real participation in determining new wage scales, argue the men.

The steel workers further contend that they had no method of knowing what rates were paid by the competitors of the Colorado Fuel and Iron Company. Some of the representatives, indeed, had personally attempted through correspondence, either on their own initiative or at the request of their constituents, to ascertain the rates paid in certain steel plants in Illinois and Pennsylvania. They told us that their efforts were usually in vain. One representative declared that his letters were ignored. Another stated that he had received a polite reply referring him to the management of the Minnequa Steel Works for the information he desired.

nothing to do but increase 10 per cent here.' Further expressions of the representatives were to the effect that they had confidence that the officers would give them the best information obtainable and that it would doubtless be better than workmen themselves could secure."

\* \* \* \* \*

"In April, 1923, an increase was made in the East. In the meeting with our representatives to consider a corresponding increase I presided and asked if they desired to send a committee East to secure information concerning the eastern rates, and two or three voices, apparently speaking for all because there was no dissent, promptly answered 'No. You have always treated us honestly in these matters and we are willing to leave it to you.'

"If a number of the representatives were disappointed when the committee was dismissed with no provision for a permanent joint wage body and they considered the method of determining wage adjustments perfunctory and not affording them a real share in deciding wages, why did they at the April, 1923, meeting, as indicated in the previous paragraph of this paper, so promptly say that they did not want to send a committee East because they were satisfied with our methods?"

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When these incidents were told to one of the officials of the steel works he said that he readily believed them, for he himself had had similar difficulty in obtaining wage schedules from eastern plants. There was reluctance on the part of some companies, he stated, to give copies of rate sheets to competitors.

When we interviewed the steel workers in 1921 they were naturally unhappy about the reduction of 15 per cent which had just been made in their wages. They told us that this reduction pointed to two fundamental defects in the present method of arriving at wage rates. In the first place, the employees' representatives and their constituents did not have adequate information to know whether a wage cut was really necessary. What were the facts about production costs, transportation costs, and competitive prices? The management had not, in their opinion, worked out a procedure for continuously imparting such basic information to the employees' representatives.<sup>1</sup> In the second place, the workers had no assurance of a proper wage standard except what the goodwill of company officials permitted. There was no assurance that, for instance, the cost of living would be used as a guiding standard; and, indeed, the men felt that their wages had been reduced before a corresponding decrease had taken place in living costs.

<sup>1</sup> President Welborn wrote in 1924 as follows about this comment of the men:

"When we presented to the employees the need for a reduction in wages in order to lower producing costs we had our detailed cost sheets with us, from which we quoted, and of which we invited their inspection. When the officials of the company left the conference room for a period to enable the representatives to discuss our proposition, the cost sheets were left on the table around which a number of the men sat for their inspection if desired."



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The management, on its side, states that the Colorado Fuel and Iron Company produces only 2 per cent of the total steel output, and that it must of necessity follow the wages paid by competitors or lose its market. The men, in their turn, reply that, under the circumstances, the Industrial Representation Plan does not really afford them protection in what to them is most vital, the assurance of the opportunity to earn a sufficiently high wage to live in reasonable comfort and security.

The question may be raised, why do not the steel workers maintain a treasury and periodically send a committee of their representatives to investigate the rates paid by the competitors of the Colorado Fuel and Iron Company? It is significant to note that under the Industrial Representation Plan the workers have not undertaken to do this. The explanation may partially be in the fact that, in the eyes of the men, the company administers the plan, meets the expenses incurred in its administration, and develops the procedure to be followed. The employees' representatives have so far been in the position of an "opposition" party, so to speak; that is, they have taken up grievances and pointed out such weaknesses in procedure as failing to work out a satisfactory method of continuously determining wages by means of joint negotiations between company officials and employees' representatives.

Moreover, even if the representatives wished to investigate wages paid by competitors of their own accord, they would find such a task extremely difficult. For in the steel industry, the workers have no national organization nor national representatives to whom they could turn for help and information. Hence they would have to secure the data desired from officials of steel com-



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panies operating in the eastern part of the country. Now ordinarily workmen do not have contacts with such officials; and indeed in the joint investigation made for the Minnequa Steel Works in 1920, the contacts were arranged by the vice-president of the Colorado Fuel and Iron Company.

On the subject of wage determinations, the attitude of the steel workers may be contrasted with that of the coal miners employed by the Colorado Fuel and Iron Company. The method of determining wages is the same in the coal mines as in the steel works; that is, rates paid by competitors are accepted as the basis for the rates to be paid by the Colorado Fuel and Iron Company. Coal miners, as contrasted with the steel workers, did not once complain that they were ignorant of the rates paid by the company's competitors. Indeed, they always knew what these rates were. For, in the bituminous coal industry, wage rates are announced after a period of negotiation between coal operators in Illinois, Indiana, Ohio, and western Pennsylvania, and representatives of the United Mine Workers of America. These rates are used as a basis for wage determination by the Colorado Fuel and Iron Company. Moreover, Colorado miners are represented both in the conventions of the United Mine Workers of America and in the meetings of special committees appointed to draft wage demands prior to negotiations with the operators. In other words, Colorado miners are not only constantly aware of the negotiations going on between operators and miners in the territory just mentioned, but they actually participate in formulating wage scales. In the steel industry, on the other hand, the chief competitor of the Colorado Fuel and Iron

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Company is the United States Steel Corporation; and as has been frequently pointed out, this corporation has no organized means of consulting the workers in drafting either basic rates or in deciding upon increases or decreases. The workers of the industry do not in any way share in the determination of wages. Consequently, the steel workers employed by the Colorado Fuel and Iron Company really have no assurance that an adequate wage will be granted when the management of their company follows competitive standards.

## CHAPTER VI

### ADJUSTMENT OF GRIEVANCES

ONE of the primary purposes of the Industrial Representation Plan was to afford the employes an easy and regular means of bringing their grievances to the attention of the management. Wage complaints and the method of their adjustment have already been discussed in the preceding chapter. Here we shall describe policies and grievances which relate to other problems arising in the relations between the steel workers and company officials, and the method of dealing with them under the plan.

#### SUSPENSIONS AND DISCHARGES

It is in relation to the function of suspension and discharge that some of the most important cases have occurred under the Industrial Representation Plan. Some of the difficulties have been adjusted by the president's industrial representative. In December, 1916, for instance, John Foster<sup>1</sup> was dismissed by the foreman for overstaying his leave of absence.<sup>2</sup> He appealed to the president's industrial representative, who reported the following disposition of the case:

"Evidence showed that the discharge was made in strict accordance with regulations. Out of regard for needs of Foster's family, the foreman agreed to re-

<sup>1</sup> Fictitious name.

<sup>2</sup> Employes are given leaves of absence for ninety days.

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employ Foster, with the distinct understanding that it was without relinquishing his views as to the justice of the discharge."<sup>1</sup>

In August, 1916, the president's industrial representative investigated the "complaint concerning Harry Crow,<sup>2</sup> who had been engaged in a fight." He reported that:

"It has been arranged to put Crow to work in another department, his continuance in the service being contingent upon his good behavior."<sup>3</sup>

In the same month John Hughes<sup>2</sup> was discharged for working under an assumed name. The president's industrial representative submitted the following report in this case:

"Hughes had worked at about twenty different places in the plant during the last two years, a part of the time under a different name. His only explanation for the change of name was that he wanted to keep out of trouble. The matter of further employment has been left with the Employment Department. He had been discharged for violation of Rule 7 [which forbids] falsifying."<sup>3</sup>

In September, 1918, two men who had been discharged for uttering abusive language appealed for reinstatement. "With the feeling that the men regretted their action and would in the future be more careful," the representative "was able to prevail upon the heads of the departments to take them back."<sup>4</sup>

<sup>1</sup> Report of Harrington Shafer, president's industrial representative, Minnequa Steel Works, Pueblo, Colorado, December, 1916.

<sup>2</sup> Fictitious names.

<sup>3</sup> Ibid., August, 1916.

<sup>4</sup> Ibid., September, 1918.

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At another time, December, 1917, four men were discharged for carelessness in permitting a theft of copper wire. The president's industrial representative reported:

"Negligence on the part of the four men was shown by their admission that they threw the wire on the ground and gave it no further attention, although they were old employes and thoroughly familiar with the company's efforts to conserve the supply of copper and brass. After carefully investigating the facts in the case I am of the opinion that the discharge was justifiable."<sup>1</sup>

The most important cases, however, which stand out in the minds of the men are those in which certain suspensions and discharges made by foremen were challenged by employes' representatives as being unjustifiable. One of these occurred in July, 1916, a few months after the plan was introduced. Since it was the first time that the men had called into question the act of a foreman in suspending an employe, this case constituted in the eyes of the men a major test of the power they possessed under the plan.

The grievance arose in the foundry. The foreman of the molders and his son who was assistant foreman, Bruce, Senior, and Bruce, Junior,<sup>2</sup> were known among the men to be very arbitrary. One day they suspended Thompson,<sup>2</sup> one of the molders, for two weeks for having done faulty work. Thompson contended that the faulty work was not due to his incompetence or carelessness because he had protested against doing the work as it had been laid out by Bruce, Junior.

<sup>1</sup> Ibid., December, 1917.

<sup>2</sup> Fictitious names.

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Thompson took his grievance to Stewart,<sup>1</sup> his representative. Stewart went successively to the assistant foreman, to the foreman, and to the superintendent of the shops department. These three men all refused to reinstate Thompson. They contended that a foreman had a right to suspend any employe when he considered him incompetent. Stewart next carried the question to the Joint Committee on Industrial Co-operation and Conciliation. The manager of the steel works was chairman of this committee. The representatives informed us that when this case was presented to the committee the chairman made the statement that the committee had no jurisdiction over it. Under the plan, he said, the management of the steel works, including the hiring and discharging of employes, was vested entirely in the company.<sup>2</sup> One of the representatives asked that if this were the case, what protection the plan offered the men in such vital matters as security of the job.

After some discussion the chairman finally consented to let the committee hear the case. Long and protracted wrangling followed between Stewart and the superintendent of the shops department. The argument of all the company officials on the committee was that Thompson had done faulty work, and that the management had the complete right to hire and discharge any employes. The dispute between Stewart and the superintendent was drawn out so long that it became personal and threatened to end in a quarrel. The chairman finally said the committee ought to take

<sup>1</sup> Fictitious names.

<sup>2</sup> The revised plan as already noted provides that "the fairness of any action under this provision shall be a proper subject for review."



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some action in this case. One of the employes' representatives then declared that if all the other members of the committee would agree with him, he would move that the committee find Thompson and the foreman both responsible for the faulty work. The chairman said that such a motion would satisfy him, and then turned to the superintendent of the shops department who had consistently defended the foreman. He asked him if such action would meet with his approval. The superintendent replied in the affirmative.

The question was put to a vote. We were told that the company officials on the committee did not vote, and, as they were silent, it was considered a unanimous vote. Three of the employes' representatives who were on this committee at the time complained that the action finally taken was not fair to Thompson; that it was a compromise decision, the foreman being entirely at fault, and Thompson innocent. But, since at first the management would not even let the committee consider the case, it was the best, they said, that they could do under the circumstances. And it meant a hard struggle, they told us, to gain the decision finally arrived at. The representatives further objected to the action of the committee in this case in that Thompson was not recompensed for the two weeks which he had lost as a result of being suspended by the foreman.<sup>1</sup>

A representative of the management told us that undoubtedly the foreman had been wrong in discharging Thompson, but he thought that the molder could have done better work had he wished to.

<sup>1</sup> It was not until the beginning of 1919, three years later, that the management agreed to reimburse employes for time lost during periods of unjust suspension.

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In 1917, about a year later, an important case, similar in principle to the molder's case of 1916, just described, came before the Joint Committee on Industrial Cooperation and Conciliation. It involved the authority of the foreman in the carpenter shop. Here, again, father and son, Graham, Senior, and Graham, Junior,<sup>1</sup> were respectively foreman and assistant foreman. They discharged two carpenters, Barnett and Langdon,<sup>1</sup> ostensibly for incompetency. The carpenters contended that they were discharged, not because of incompetency, but because the foremen had a grudge against them.

Both the Grahams were known to the workers as hard and driving foremen. Prior to their discharge, Barnett and Langdon, who were young men, had spoken in defense of an elderly carpenter working in the shop whom the foremen were "riding" especially hard. They circulated a petition stating that the younger Graham was abusive, was tyrannizing the men, and specifically, that he had been unfair to the elderly carpenter already mentioned, and that the management ought to investigate and stop his arbitrary behavior. As the result of this petition a meeting was held in the office of the manager of the steel works at which were present the foremen, the Grahams, the elderly carpenter, several employees' representatives, and Barnett and Langdon. The exchange of words between Barnett and Langdon, and the foremen was, to put it mildly, very warm. The manager finally said that the wrangling should stop; that the men ought to shake hands and forget their past difficulties. The foremen shook hands with the elderly carpenter, but neither of them would shake hands with Barnett or Langdon.

<sup>1</sup> Fictitious names.

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After this incident the men in the carpenter shop felt that the foremen nursed a personal grudge against Barnett and Langdon. Finally Graham, Senior, discharged them on the pretext, according to the representatives, that they had done faulty work. The two carpenters called in their representatives. Again the case was taken through the regular channels provided in the Industrial Representation Plan. The foremen, the superintendent, and the manager of the steel works all pointed out to the representatives that the management reserved the right under the plan to hire and discharge. If the foremen did not have the right to discharge, certainly the superintendent of the shops did, and if he did not, certainly the manager of the works had this right.

The case was finally brought before the Committee on Co-operation and Conciliation. Two sessions were held. The employees' representatives had made an intensive investigation, had examined the work which the foremen claimed to be faulty, and had decided that it was a clear case of discrimination on the part of the foremen. They presented a carefully prepared case to the committee. After considerable discussion a vote was called for by the members of the committee. The ballots were cast. The chairman, who was also manager of the works, counted them, but he did not announce the result of the vote.<sup>1</sup> He said that he would simply order the reinstatement of Barnett and Langdon.

The most significant thing to the representatives and to the men who watched this case was the fact that

<sup>1</sup> One of the employees' representatives wrote us in 1924: "The result is announced now by the chairman and the ballots counted by the secretary."

although the foreman and assistant foreman had clearly tried to victimize Barnett and Langdon, they had been supported and defended by the other company officials; and, in spite of the fact that the two carpenters were finally ordered to be reinstated, the representatives did not feel satisfied because of the hard fight they had had to wage in order to secure what was obvious justice. Indeed, two representatives who were on the Committee on Co-operation and Conciliation and had acted in that capacity for two years told us that as a result of this case, and because of the general reluctance of the management to review the acts of foremen, they declined to be renominated as representatives for the following year.

With the passing of time, however, the right of employees to review any suspension or discharge became clearly established; and, further, by January, 1919, employees when reinstated were paid for any time which they had lost.<sup>1</sup> Thus, at the meeting of the Joint Committee on Industrial Co-operation and Conciliation held in January, 1919, attention was called to a new ruling made by the president of the company to the effect "that an employee, who had been unjustly discharged or suspended, should be, when proven innocent and reinstated, reimbursed for the time lost." This was con-

<sup>1</sup> Under some plans of employees' representation the workers do not have the right to review discharges made on grounds of inefficiency of the persons concerned. This is true of one progressive firm in England. In this firm a Works Council exists and under it the employees have an extensive range of participation in determining conditions and rules of work. But they are not permitted to review discharges of workers declared inefficient by the responsible executives. On the other hand, some firms permit the review of any discharge no matter what the reason. For example, the arbitration board in the department store of William Filene Sons' Company in Boston may review any discharge, even those made on grounds of inefficiency.

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sidered a valuable concession by the employes, for hitherto a discharged worker was not paid, when reinstated, for time lost during the investigation and adjustment of the grievance.

A case involving this principle was taken up at the meeting of the Joint Committee on Industrial Co-operation and Conciliation held on November 15, 1920. The employes' representative reported that a switchman had been suspended for three days for not delivering hot metal. The superintendent and the employes' representative from the department appeared to make their statements of the facts in the case. After considering these, the committee decided that inasmuch as the employe in question had been instructed not to work overtime, he had been justified in not delivering the metal. That it would have been necessary for him to work overtime was learned by studying how long it had taken to do similar work on other occasions. The committee voted that the switchman had been unjustly suspended and that he should be compensated for the time lost. Incidentally, it was also shown that the superintendent had suspended the employe without an adequate hearing.

From our interviews both in 1919 and 1921 it is clear that as long as the function of hiring and discharging is in the hands of the various superintendents and foremen, dissatisfaction will exist among the employes. We were told repeatedly, for instance, that certain foremen were suspected of favoritism and of being arbitrary. And although relief from specific acts could be sought under the plan, the men were reluctant to do this because it meant antagonizing the officials under whom they had to do their daily work. These grievances point

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to the fundamental need of a personnel department with a specially trained staff to deal with the problems of human relations and to leave the superintendents free for the task for which they are primarily fitted—that of directing production.

### COMPLAINTS REGARDING SENIORITY

The fact that the management did not promote employees according to seniority—or length of service—constituted one of the most serious grievances voiced again and again, both to the management and to us. Thus, we read in the reports of the president's chief industrial representative that on November 25, 1918, an employe charged favoritism in the operation of the shipping department

“in that he had not been promoted to the position of boss shipper, to which position he thought he was entitled on account of length of service. S. A. Walker, superintendent of the shipping department, explained that he had not thought Luckenbill was qualified for the position. Mr. Matteson held ‘that in making promotions the management was justified in selecting the men best qualified.’”<sup>1</sup>

Another “seniority” grievance was filed by representatives Harrington and Fergusen on April 9, 1919. They complained “that particularly in the electrical and mechanical departments of the open hearth, men had been removed from jobs which they thought they were capable of holding and replaced by men with shorter terms of service.” The president's chief indus-

<sup>1</sup> Report of B. S. Matteson, president's chief industrial representative, Minnequa Steel Works, Pueblo, Colorado, March 12, 1919.



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trial representative reported that on April 30 he met with the superintendents, representatives, and foremen and "was given an account by them of the understanding reached among themselves." He further stated that "the representatives expressed satisfaction with the outcome of the conference."<sup>1</sup>

A typical case was presented at a meeting of the Joint Committee on Industrial Co-operation and Conciliation held in July, 1919. The representatives contended that the men longest in service should be continued at work when it was necessary to reduce the force. The superintendent replied that ability and not length of service was the chief consideration for the management. The abstract of this discussion is taken from the *Industrial Bulletin*, published by the company.

"Representative Schultz at the July meeting suggested that when it was necessary to reduce the force in the shops department the handy men<sup>2</sup> be reduced to the position of laborers and the mechanics put on as handy men, thus eliminating the necessity of laying off any of the mechanics. Superintendent J. C. Bench replied that it was necessary to consider every man's ability and that it would be impossible to conduct the shop on a basis of absolute seniority."<sup>3</sup>

We found another aspect of the seniority complaint in 1921. Because of the business depression which prevailed throughout the country in that year the com-

<sup>1</sup> Ibid., April 9, 1919.

<sup>2</sup> Handy men constitute an intermediary grade between unskilled laborers and skilled mechanics.

<sup>3</sup> *Industrial Bulletin*, Vol. IV, Minnequa Steel Works, Special No. 4-A, p. 1, August 2, 1919.

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pany had found it necessary to lay some men off. One of the employees' representatives told us that the management was not observing that section of the Industrial Representation Plan which provided that "where relief from duty through lack of work becomes necessary, men with families shall, all things being equal, be given preference."<sup>1</sup> This representative complained to the president's industrial representative because in his department a father and his young son were working together and getting more days of work than two married men. The president's industrial representative replied that, inasmuch as all employees had been promised half time in this department, the sentence just quoted from the plan was superseded. But he did arrange to limit the son's work to three days a week while the father worked five days a week. The representative was dissatisfied with this decision and gave three days from his working time to two married men who worked in the department. He also told us that in other departments boys were given work while married men were sent home. The fact was, as we were informed by a number of representatives, that each superintendent decided who should be laid off in his department and the men did not feel that the decisions were always fair or based upon an impartial consideration of facts.

It is difficult to convey the feeling with which the men complained about the lack of recognition of senior-

<sup>1</sup> Industrial Representation Plan and Memorandum of Agreement Respecting Employment and Living and Working Conditions, Applicable to the Minnequa Steel Works of the Colorado Fuel and Iron Company. See Appendix A, page 245. The revised plan contains a similar provision about giving preference to men with dependents when it becomes necessary to reduce the number of employees. See Appendix B, page 268.

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ity in making promotions. "The best handshaker gets the job," was one man's way of putting it. One man told us in 1921 that while he was entitled to a certain promotion, three other men were successively put ahead of him. They all failed and he was finally given the job. All the men expressed the wish that the company would observe the principle of seniority. By this, however, they did not mean that an incompetent man should be promoted just because he had a longer record of service. They did mean that the employe oldest in the service, unless obviously incompetent, should be given an opportunity to made good at the better job; and if he did not make good he should be taken off. As it is now, the men feel that partiality and personal feeling on the part of superintendent and foreman are the chief factors in promotion. A prominent official at the steel works stated that partiality may be shown by some foremen when promoting men. He stated, however, as did all the superintendents and foremen interviewed, that the application of the principle of seniority was not in the interest of efficiency.<sup>1</sup>

It should be pointed out that the complaints voiced by the men against the management for failing to observe the principle of seniority do not constitute a criticism of the Industrial Representation Plan. For, indeed, it is through the plan that the individual employe may bring to the attention of the management any failure to promote him when he thinks that he is

<sup>1</sup> On this subject, the revised plan reads: "In making promotions primary consideration shall be given to length of service and ability to do the work required." See Appendix B, page 268.

One employes' representative wrote us in 1924: "While this question [seniority] is still difficult, we are, since the revision of the plan, securing better results and have maintained 'seniority rights' in several important cases."

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entitled to a better job which may be available. Any employe who suspects that he had been discriminated against in a possible promotion has a check on the power of the foreman in the right to appeal, either in person or through his representative under the plan, and in certain instances this has been done with satisfaction to the men involved. Both the representatives and the men feel, however, that it is difficult to apply this check. The superintendents and foremen are too antagonistic, they say, and resent keenly the efforts of the representatives to review promotions.

Fundamentally, these grievances again point to the need of a personnel department in which the function of employing, promoting, and discharging shall be centered. When so many different foremen and superintendents decide on the merits of workmen for certain jobs it is inevitable that favoritism will creep in; and that workmen will suspect favoritism to exist even when executives may be free from it.

## CONTROVERSY REGARDING PAY FOR OVERTIME

The one case which perhaps more than any other was discussed among the representatives in 1919 was that involving the question of paying for overtime. After the eight-hour day was established late in 1918, the question arose as to what rate should be paid for overtime work. At the meeting of the Joint Committee on Industrial Co-operation and Conciliation held in March, 1919, the following rule was adopted:

"Any employe called to work other than his regular shift shall be paid time and one half for such work until his regular shift's starting time on the following day [when he shall] be paid straight time. All days

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shall be considered on the basis of twenty-four hours, each day's time to begin with the regular starting time of [the employe's] shift. This rule does not apply to shift-men when changing shifts on their regular change day or when changing shifts for their own benefit."<sup>1</sup>

This ruling, as later developments showed, was interpreted differently by company officials and employes' representatives. According to company officials it meant that if any employe was required to work continuously for more than a regular shift—that is, more than eight hours—he was entitled to overtime pay, or one and one-half time for all work done beyond the eight hours of his shift. According to the employes' representatives the ruling meant that a workman was entitled to one and one-half times the regular rate for all work done outside of his regular shift, regardless of whether the work was continuous or not. To illustrate: John Smith, a carpenter, works regularly from 8 a. m. to 5 p. m. On Wednesday his superintendent instructs him that on the following day he is not to report at his regular shift, but at 5 p. m., and is to work until 1 a. m. Under the ruling quoted, the employes' representatives contended that Smith was entitled to the overtime rate for working from 5 p. m. to 1 a. m. The management contended that Smith was not entitled to the overtime rate. He would receive overtime pay only if he had worked from 8 a. m. to 5 p. m. and then remained on the job continuously until 1 a. m.

An actual test case of the overtime ruling arose in May, 1919, and was discussed throughout the year.

<sup>1</sup> Minutes of meeting of Joint Committee on Industrial Co-operation and Conciliation held at Mr. Park's office on March 14, 1919.

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The brick masons asked one of their employees' representatives who was on the Committee on Co-operation and Conciliation to see whether they could not get time and a half for overtime which they had worked. It appears that these brick masons worked regularly on a day shift from Monday to Friday inclusive. They were then told that on Saturday they were to report on the night shift to work on the blast furnaces. These men and their representatives contended that, according to the rule previously adopted, the masons were entitled to time and a half for the time they had worked on Saturday night, because they had worked outside of their regular shift.

The case was brought up again at the meeting of the Committee on Co-operation and Conciliation held in June, 1919. The manager of the steel works who was chairman of the committee gave his interpretation of the overtime rule. He said that overtime began only after a man had worked eight continuous hours within any twenty-four hours, and that if an employee were called to work on any shift within twenty-four hours and worked only eight hours, he should receive only "straight time"; that is, be paid for only eight hours at the regular rate. The men were dissatisfied with this interpretation. The manager therefore wrote to the president of the company for the latter's opinion. This official agreed with the manager, as follows:

"My understanding of the application of the overtime rule is that any time over eight hours in a given twenty-four hours, except when changing shifts, shall be considered overtime.

"In the case of work by brick masons referred to in your letter, it seems to me manifestly unfair that



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overtime should be paid when a man does not put in more than eight hours in a given twenty-four and actually has less than the usual number of hours worked per week."

The manager informed us that at this time the brick masons did not have steady work. At the next meeting of the committee, held in July, 1919, the employes' representative who had been handling this case again presented the request that the brick masons be paid overtime for the work they were doing on Saturday night which was outside of their regular shift. A lengthy discussion followed. The representative repeated the rule which had been previously adopted by the committee and contended that the management should live up to it. If a man is called on to work, outside of his regular shift, he argued, he ought to receive time and a half, regardless of whether the work is continuous or not or whether he had worked only eight hours within twenty-four hours. The manager reiterated his former position, namely, that only those who work continuously over eight hours within twenty-four hours are entitled to overtime pay. The representative then made a motion that the rule already adopted should stand with emphasis on the provision that any man who works outside of his regular shift should be paid at the overtime rate. The manager, who was also chairman of the committee, refused to put the motion, stating that the representative was asking the committee to act on a matter which, if adopted, would make him, the manager, exceed his authority.

Some of the representatives told us that at this point a discussion took place between the manager and the representative as to what constituted collective bar-

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gaining. When the former refused to put the motion the latter said in substance, "All right. If you say we can't act upon it, I will withdraw my motion, but I want to say right here, that this is not collective bargaining." The manager replied, "Yes, you have collective bargaining." The representative then said, "I can't see it. This committee is supposed to have authority to adjust grievances, and when we are ready to act on this overtime matter, you say we have not authority to do so. I don't call that collective bargaining."

Indeed, one of the employees' representatives pointed out to us that in refusing to submit this grievance to the committee for final vote the manager had violated the Industrial Representation Plan. For the plan provides that when "the president's industrial representative or one of the higher officials of the company fails to adjust a difference satisfactory . . . the difference shall be referred to the Joint Committee on Industrial Cooperation and Conciliation, and the decision of the majority of such joint committee shall be binding upon all parties."<sup>1</sup>

The rule about overtime was also discussed at several meetings of the committee during 1920, and had not yet been revised in March, 1921, when we interviewed the workers while engaged in the field work for this study. The representatives of the steel workers felt that the management had never lived up to the rule which it had adopted. The higher officials stated, however, that when the rule was adopted it never was intended to pay overtime for any work unless it was

<sup>1</sup> Industrial Representation Plan and Memorandum of Agreement Respecting Employment and Living and Working Conditions, the Minnequa Steel Works, the Colorado Fuel and Iron Company. See Appendix A, page 246.

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done after eight hours of continuous service within any twenty-four. The employes' representatives thought that the original rule did provide overtime for any work done outside of one's regular shift.

The management held, further, that certain employes, like the brick masons, could not be considered to have regular shifts. A brick mason may work all year on a day shift, but occasionally you may want him to work on a certain night to repair furnaces. Such change in shift should not be interpreted as meaning that the employe is called out of his regular shift and therefore entitled to overtime.

The action of the management in this overtime case had a very important effect on the attitude of the steel workers in 1919. The men cited these instances to prove that the Industrial Representation Plan might be of some benefit in welfare work and safety work, but that when it came to such vital and important matters as wages and overtime, questions in which the men were most interested, the representation plan gave no power or authority to the employes' representatives.

## THE FORTY-FIVE-YEAR AGE LIMIT

In 1917 the company introduced a pension system for employes who reached the age of sixty-five, and simultaneously the company adopted a policy of not engaging new employes who were over forty-five years old.<sup>1</sup> In this way the management wished to assure

<sup>1</sup> It is provided that, after twenty years of service, employes should be retired at the age of sixty-five and receive payment equal to "30 per cent of the average pay per month of service during the ten years next preceding retirement, with a minimum of \$20 per month." In 1922, following our investigation, the age limit of employment was raised to fifty years.

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itself of twenty years of service from each employe prior to granting him a pension. Although company officials stated that they would not apply the age limit to men seeking work who had been in the previous employ of the company for any length of time, it was nevertheless severely condemned by the men. Thus, one representative suggested to the management that

“ . . . the age limit be abolished where the applicant is otherwise physically fit. It is not just to a man to refuse him employment simply because he is past the age of forty-five, as he would have to secure work elsewhere. Men have to live and support their families after they are past this age, regardless of a pension plan.”<sup>1</sup>

The forty-five-year age limit was particularly criticized by the employes' representatives in a joint conference with company officials held on February 1, 1919. The discussion, as embodied in the minutes of this conference, follows:

“Representative Leithead, of the Sixth Division, talked at some length upon what he termed the unfairness of the age limit which is observed by the company. Representatives Fuerhardt, Bebout and Schultz also indicated their aversion to this rule . . . Mr. Welborn stated that in case of old employes, who had been out of the company's employ for a time, an exception to the rule had been made and some of these men given work who had passed the forty-five-year mark. Representative Kochevar, as an illustration, referred to a case where an employe

<sup>1</sup> From statements of employes' representatives, Colorado Fuel and Iron Company files, January, 1919.

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might secure a leave of absence for three months and at the end of that period found he was not in condition to return to work, and asked Mr. Welborn if that time would be extended for another three months, or longer. Mr. Welborn replied in the affirmative, but stated that the company would want to handle each case individually. . . ."<sup>1</sup>

Representatives whom we interviewed in 1921 did not mince terms in condemning the forty-five-year age limit. "It is absolutely rotten," said one man, and a young one at that. "No man in the plant approves of it." Another representative who had praised the Industrial Representation Plan startled us with his vehemence when he declared that "the forty-five-year age limit is the biggest curse ever put on any body of working men." He himself was not forty-five, he said, but he felt that the age limit was "not the right thing to have." Another stated that those engaged in steel making had a right to expect work throughout their lives, and it was unfair for any single company to refuse them work when they reached forty-five. The feeling also prevailed that the age limit deprived an employee of his independence when he became forty-five years old. Fearing discharge and a refusal of re-employment, he would hesitate to voice his grievances or to take an active part in the collective activities of the employees.<sup>2</sup>

<sup>1</sup> Minutes of Joint Conference of Employees' Representatives for Minnequa Steel Works with officers and representatives of the Colorado Fuel and Iron Company, Pueblo, Colorado, February 1, 1919.

<sup>2</sup> President Welborn made the following comment in 1924:

"The age limit of 45 did not affect a man's independence when reaching that age as the rule and practice had been to employ men over 45 who had had enough previous service with the Company to make a total of 20 years prior to the time he would reach 65."

## PHYSICAL EXAMINATION

Coupled with their objection to the age limit, some employees' representatives in 1919 also voiced their complaints against physical examinations which the company requires of applicants for work. In 1921, however, the examination, as such, was not criticized. Representatives have felt that applicants who had formerly worked for the company should not have to undergo a re-examination, especially when they had been laid off because of lack of work. A discussion on this subject occurred at a regular joint conference of employees' representatives and company officials, held under the plan in Pueblo on June 6, 1919.

"I have been asked by some of our old employees," reported a representative, "to see what could be done with regard to them. Many times these men who have passed the age limit have to stand an examination before they can go back to work; they go over there and of course are turned down because of their age; . . . It has been recommended that," when they are laid off because of lack of orders, "they go back to work without an examination . . . We would like to have a rule made that will permit these old employees to go back to their old places just as they left them."<sup>1</sup>

For the management, a company official replied that if a man had been unemployed simply "because there is no work for him, he will be placed at work without

<sup>1</sup> Minutes of Joint Conference of Employees' Representatives for Minnequa Steel Works with officers and representatives of the Colorado Fuel and Iron Company, Pueblo, Colorado, June 6, 1919.



going to see the doctor." He also said that under the rules of the company "a man might get a leave of absence if there were no work for him." The general manager of the steel works reminded representatives of the wisdom of a physical examination:

"I think they look upon that physical examination with considerable disregard of the good it is to the man having the examination; I have O. K.'d lots of cards where the physical examination is overlooked; it may tell one man out of one hundred something that he really ought to know."<sup>1</sup>

Another representative reiterated the objection of old employees to the physical examination:

"I think there is a good deal of complaint along that line; I think when a man that has worked for years . . . is refused work unless he goes in there and strips off his clothes, even to his socks, and is examined, I think it is an injustice to him. It might be all right in the case of a fellow who is just entering the service for the first time, but it don't look right for a fellow that has been working for the company for years."<sup>2</sup>

The general manager then summarized the policy of the company:

"We are not prepared to set this physical examination rule aside; if a man works here for five or six years and goes away, he has got to go through the regular physical examination before he can get back to work, and if he is in anything like a reasonable

<sup>1</sup> Ibid.

<sup>2</sup> Ibid.

condition he is again employed. If a man goes away and stays for five or ten years, so far as his physical examination is concerned, he is a new employe. If a man's services in the past were satisfactory and he has put in a considerable time in the company's service, we will take him back; if he has rendered continuous service the chances are that he would get employment, whether he is forty-six or fifty years old."<sup>1</sup>

#### PROCEDURE IN CONSULTING WORKERS

In studying the development of policy, as well as the adjustment of grievances under the Industrial Representation Plan, we were searching especially for the degree to which the employes' representatives were consulted by the management when making changes in working conditions and the degree to which the representatives themselves took the initiative in demanding changes. Thus, the eight-hour day was established in the Minnequa Steel Works because the employes' representatives emphatically expressed their preference for the shorter working day when they were consulted by the general manager on the proposition of introducing the basic eight-hour day. With regard to wages, the prevailing method has been for the management to work out new schedules based upon changes in competitive rates, and then to submit them for approval to the employes' representative. The appointment of the joint wage committee in 1920 to investigate rates paid in eastern steel mills and to revise those paid in the Minnequa plant was an exception to the prevailing practice and an instance of active participation of the

<sup>1</sup> Ibid.

workers in determining wages.<sup>1</sup> Again, when the pension plan was introduced in 1917, the employes' representatives were not consulted either on the range of pensions or on the forty-five-year age limit for employment—the most important regulation accompanying it from the point of view of the workers.

We have also seen in this chapter that the management learns the attitude of the workers on certain personnel problems, such as seniority in promotion, hiring and discharging, and rates of pay for overtime, only when grievances are taken up by the representatives. In the following chapter we shall discuss several incidents which further illustrate both the procedure of the management with regard to consulting the employes' representatives and also the degree of initiative shown by the representatives themselves.

<sup>1</sup> See footnote, page 97, for the appointment of other committees subsequent to our investigation.

## CHAPTER VII

### INITIATIVE OF THE WORKERS

WHEN we interviewed the steel workers early in 1921 their memory was fresh in regard to a difficulty which had just been adjusted concerning the time of beginning the day shift. The custom had been to start at seven o'clock in the morning. But in January, 1921, the management of the steel works decided, in order to facilitate operation, that it would be better in some departments to start an hour later—at eight o'clock. This was especially true of the masons. The management thought that in the winter, seven o'clock was too early in the morning for the masons to work productively with their materials.

#### CHANGING TIME OF BEGINNING WORK

Engaged as we were in studying the operation of the Industrial Representation Plan, we were not concerned so much with the reasons for making the changes as we were with the method of agreeing upon them under the plan. In other words, were the representatives of the men consulted and did they help to work out the new work schedule as they had in 1918 when the eight-hour shift was established?

What actually happened was this. The manager called in the representative of the masons and explained to him that for technical reasons it was often too cold for the masons to start work at seven o'clock, and that they would undoubtedly have more work throughout

## INITIATIVE OF THE WORKERS

the winter and the efficiency of the entire plant would be increased if the shift began at eight instead of at seven o'clock. The representative readily agreed to the suggestion, and the management put into effect the new schedule of starting the shift at eight o'clock. Spontaneous objection immediately arose among the men all over the plant. In the first place the first shift, which began at eight o'clock, overlapped the second shift which began at 3.30 in the afternoon. And if the second shift were moved ahead one hour to begin at 4.30 p.m., the men working on this shift would quit work after street car service had stopped.

The men demanded a restoration of the old schedule of beginning the first shift at seven o'clock. Petitions were circulated by the representatives to secure formal expression of the sentiment of the men. The foremen and superintendents tried to persuade the men to abide by the new schedule of starting at eight o'clock. One superintendent insisted that if the men wished to begin work at seven o'clock they should sign a letter to that effect. He said that he himself would write a letter against starting at seven. But the representatives went over the heads of the superintendents, and after presenting their requests to the manager of the steel works and the president of the company the old schedule was restored; the first shift again started at seven o'clock.

Again we disclaim any criticism against the management for wishing to work out a schedule which in its opinion would make for more efficient operation of the plant. But we do wish to point out that the executives of the company who are the administrators of the Industrial Representation Plan, have so far failed to

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

work out a procedure which would regularly guarantee the men a voice in determining important changes in working conditions. The manager had consulted only the representatives from one department when contemplating a change for the entire steel works. While it is true that after the representatives protested against the change just described the old schedule was restored, it should be borne in mind, as the men explained to us, that the representatives had to oppose their own superintendents and foremen on this issue and that it is not pleasant to incur the enmity or dislike of the executive in immediate charge of one's job. The men felt that under the plan their representatives should have been consulted as a matter of course prior to putting into effect any change in working hours. It should be remembered, however, that the written plan does not make it mandatory upon company officials to consult the workers. It is all the more significant to note that, as the plan grew older, the employes began to expect a regular procedure on the part of the management to call in their representatives when contemplating changes in working conditions.

## SAFETY WORK

Obviously in a steel works where machinery is large and heavy, where huge quantities of steel, in both molten and solid condition, are conveyed from place to place, properly organized safety work is of the first importance. All the steel workers whom we interviewed were unanimous in their statement that with the introduction of the plan, safety work within the steel works began to make tremendous strides. But three criticisms were directed against the company's program.



## INITIATIVE OF THE WORKERS

In the first place, they said that the management had been too slow in carrying out the recommendations of the men. They told us that there were still some uncovered gears that they had called attention to, and that in one department, platforms and stairways were not kept in repair. In the second place, the company had not adopted the best type of safety work as had the United States Steel Corporation. In the third place, the management had not employed a safety expert who would carry on an intensive safety campaign and see to it that the most modern safety appliances were adopted. When the study was made the official administering the safety work had other functions to perform and gave only part of his time to safety work. He did not make regular inspections but investigated accidents after they occurred.

In reply, company officials stated that perhaps it would be well to have the best type of safety appliances and to employ a safety expert. Modern safety appliances, however, could best be secured when new machinery was bought. But they had to deal with a practical situation and they could not well afford to scrap the present plant and build a new one which would contain modern safety equipment. Officials stated, moreover, that in their opinion the success of safety work depends upon the intelligent interest and co-operation of the workers rather than upon safety appliances or a safety expert.

We did not attempt to evaluate the safety work of the company. But it seemed clear to us that the management should give close attention to the criticisms made by the men and provide adequate safety equipment as rapidly as possible. We did investigate

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

the procedure of the committees appointed under the plan to deal with safety work. In addition to the joint committee on safety and accidents, which in 1921 functioned for the entire steel plant, each department had a workmen's committee on safety. The method of appointing these committees as well as their method of work varied considerably from department to department. In some departments they were appointed by the superintendents, in others by the foremen, and in others again by the employees' representatives. Only in one department did the superintendent emphasize the importance of having regular inspections made by the committee and of their recommending specific improvements to him. In the other departments the committees held a weekly meeting to discuss safety conditions. They had no definite responsibility for inspection and reporting.

While this study was in progress the manager of the steel works, at the request of the employees' representatives, inaugurated two changes in the personnel of the safety committee. Half of its members were to be appointed by the employees' representatives of each department and half by the superintendents, and a new committee was to be appointed every six months. Thus, by rotating the membership of the committee and by permitting the men's representatives to appoint half of the personnel, the management hoped to stimulate the departmental committees to further activity.

## SANITATION AND HEALTH

"Before the Rockefeller Plan a lot of us washed our faces in buckets and we hung our clothes in wooden lockers," was the way one man described sanitary con-

## INITIATIVE OF THE WORKERS

ditions as they existed prior to the introduction of the plan. Now, the men declared, conditions have improved tremendously. For the first time in the history of the works, plans had been made for the establishment of comfort stations and wash-houses. Running through the minutes of the Joint Committee on Sanitation, Health, and Housing were repeated requests by the representatives from various divisions for the establishment of wash-houses and comfort stations. The usual reply of the management was that it had prepared a definite program and it was proceeding with the building of the necessary facilities as rapidly as possible.

Ordinarily the Committee on Sanitation, Health, and Housing deals with matters relating to the medical service provided by the company, which consists primarily of first aid and dispensary service and a hospital. There is also an ambulance stationed at the plant. The hospital, known as the Minnequa Hospital and situated in the city of Pueblo, is reputed to be one of the best of its kind in the country and is well equipped to cope with injuries and disease occurring among wage-earners engaged in steel making and mining.<sup>1</sup>

As a rule the workers praised the efficient manner in which the medical service in general and the hospital in particular were managed. But complaints have arisen from time to time. Thus, at the meeting of the Joint Committee on Industrial Co-operation and Conciliation, held on March 16, 1920, two employees' representatives complained that the ambulance stationed at the Minnequa works was not suitable for the transportation of injured men; that it was "a very

<sup>1</sup> To help defray the expenses of the medical service, the company deducts \$1.50 a month from the wages of each employe.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

rough riding vehicle.”<sup>1</sup> The minutes of the committee read that “the Ford ambulance now used is not satisfactory and rides too roughly for injured men to be carried from the plant to the hospital.”<sup>2</sup> Two months later the physician in charge of the medical service informed the committee at its meeting on May 14 that he had taken up the request for a new and better ambulance with the general manager of the company and he “presumed that the ambulance would be got as soon as possible.”<sup>3</sup>

The employees' representatives have been active in helping to maintain the medical service at a high level of efficiency. During 1920 several grievances relating to the medical department were reported at different times. Thus, at the meeting of the Committee on Cooperation and Conciliation, held on April 16, 1920, one representative reported that on a certain given day it had taken thirty-five minutes for the ambulance to arrive at the scene of a very grave accident which had occurred in his department during the third (night) shift. He further suggested that a doctor be placed on duty during this shift so that he could in case of accident accompany the ambulance. Other representatives complained at this meeting that the employees were not given efficient and courteous treatment in the dispensary situated in the plant. The minutes of the discussion read:

“Mr. Morris stated that there was an accident at the Open Hearth in which two dinkey engines ran together; that one man died from injuries sustained in

<sup>1</sup> Minutes of the First Regular Meeting, March 16, 1920.

<sup>2</sup> Ibid.

<sup>3</sup> Minutes of the Third Regular Meeting, May 14, 1920.

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the collision and the other man was badly injured; that it was thirty-five minutes from the time of the accident until the ambulance got there; that this accident occurred on the third shift and it appears that there is no regular driver for the ambulance on that shift. He also stated that only last week we had a man hurt at the Open Hearth on the day shift and there was nobody there that could drive the ambulance. There was a man hurt at the 40-inch mill and it was forty-five minutes before they got there with the ambulance.

"Mr. Morris brought up the question of having a doctor in the mill on the third shift so that he could go with the ambulance in case of accident to take care of anyone who was hurt; that this would be more satisfactory to the men in the mill and possibly might save the life of some man who was badly hurt, and also save the company money. Other members of the committee expressed themselves in favor of the same arrangements.

"He said he had a couple of complaints where men were injured during the night and came out to the dispensary and woke the attending doctor up and they were 'bawled out' because they woke up the doctor.

"One case occurred last week when a man got his eye burned; he came out to the dispensary and had quite a time awakening the doctor, after which the doctor talked to him as if he were a dumb brute.

"He said, 'I had the same thing happen to me once, so I feel that the men are not lying. I could not awaken the doctor myself and went over and got the watchman; he went to the side window and finally succeeded in awakening him.'

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

"Mr. Densmore stated that the men claim that they go into the dispensary and describe their symptoms, of what might develop into a serious disease; that the doctors do not attempt to give them any examination whatever, but simply prescribe a bottle of something which they say 'take every three hours with a little water' and let it go at that; that is all they get.

"A general discussion on the question ensued, in which criticism was made against the conduct of the doctor's treatment of patients at the dispensary. With reference to the above, Mr. Hutton, acting chairman, asked for names of complainants and dates."<sup>1</sup>

At the meeting of the Committee on Co-operation and Conciliation that followed on May 14, 1920, the surgeon in charge of the medical department of the company and one of his staff were present to discuss these complaints. First, the committee was informed that a doctor would be put on duty at the dispensary during the night shift:

"Dr. Corwin said arrangements have already been made with regard to doctors at the dispensary as follows: There will be a man there who is up all night; that he will not go to bed.

\* \* \*

"Dr. Marmaduke stated that the doctor on duty at night at present was there for emergency calls only; that he was supposed to sleep and not get up to attend to something that could be done in the daytime as well; that a bell had been installed so

<sup>1</sup> Minutes of the Second Regular Meeting, April 16, 1920.



## INITIATIVE OF THE WORKERS

watchmen could awaken the doctor. This arrangement has always existed.”<sup>1</sup>

The doctors next reported on their efforts to secure a new ambulance, to which reference has already been made. The minutes read:

“Dr. Corwin stated that in regard to ambulance, he had spoken to Mr. McKennan and told him what sort of ambulance had been suggested; that a light ambulance would be more satisfactory than a heavy one for work such as ours. He stated that the matter of a new ambulance had been taken up in Denver; that he had received a letter from Mr. Cowdrick asking for information regarding inside arrangement and presumed that the ambulance would be gotten as soon as possible.

“Representative Densmore then asked Dr. Corwin when they got the ambulance, how was it intended to get it to the men.

“Dr. Corwin stated that he didn’t know what new arrangement was contemplated; but that the ambulance would be kept in the plant. He thought that a man should be at the ambulance at all times when called.”<sup>2</sup>

As to the reported delay in the arrival of the ambulance on the particular night about which complaint had been made at the previous meeting of the committee, the acting chairman reported that according to his investigation only ten minutes had elapsed between the time of calling and the arrival of the ambulance. The minutes follow:

<sup>1</sup> Minutes of the Third Regular Meeting, May 14, 1920.

<sup>2</sup> Ibid.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

"The question of ambulance delay at the Open Hearth, which was referred to at the last meeting, when two dinkey engines ran together, was then brought up, the complaint being that it was thirty-five minutes from the time of the accident until the ambulance arrived.

"Mr. Hutton stated that Representative Morris and himself had met with Mr. Fenn, Mr. Farley, the ambulance driver, and men from the Open Hearth in regard to this; that it developed that the ambulance was called at 1:10 a.m., upon which all concerned were agreed. The ambulance record showed that the ambulance had arrived at 1:20 a.m., and had arrived at the hospital at 1:30 a.m.

"Mr. Hutton stated that he had called up the hospital to get their record on arrival and was informed that their records showed that the ambulance arrived there at 1:30 a.m.; asked them to confirm this with letter, which was done, the letter being submitted to the committee.

"It was stated that Carl Tractler, of the Open Hearth, says that he looked at the clock after man was put in ambulance and that it was 1:45 a.m. The question was then brought up by Mr. Chapman whether the time of call and the time the man was put in ambulance was taken from the same clock, which might be the explanation of quite a difference in time.

"Representative Sands brought up the question of having a doctor with the ambulance; Dr. Corwin stating that he didn't believe that much satisfaction would result from such arrangement; that the work that can be done in an ambulance is unsatisfactory."<sup>1</sup>

<sup>1</sup> Ibid.

## INITIATIVE OF THE WORKERS

After this meeting several other complaints were registered against the medical department. Finally, a committee of employes' representatives was appointed at the regular monthly meeting of the employes' representatives, held on July 8, 1920, to investigate the complaints. On July 13 this committee, consisting of three employes' representatives, met with the director of the medical department and the acting manager of the steel works. It developed at this meeting that in one instance the hospital had been negligent. The medical director informed the committee that he would be glad to be advised of any instance in which the hospital failed to give satisfactory service. At this meeting it was also suggested that a standing committee be appointed to deal with matters pertaining to the hospital and dispensary. But the acting manager of the steel works stated that a special committee was not necessary because such matters were within the jurisdiction of the Joint Committee on Sanitation, Health and Housing.

We were interested to find in our interviews that the steel workers felt that, due to their initiative, they had succeeded in improving the medical service where it was weak. They had been instrumental in securing a new and better ambulance, in having a physician put on night duty in the dispensary, and in having negligent hospital attendants reprimanded. In other words, the workers under the Industrial Representation Plan had been able to voice complaints and to bring about improvements in a service whose efficiency was absolutely necessary to protect them in an industry as hazardous as steel making.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

### PRICES AT THE COMPANY STORE

The Colorado Supply Company, a subsidiary of the Colorado Fuel and Iron Company, maintains a store and sells merchandise at retail to the employes of the parent company both at the various coal camps and in Pueblo. Under the plan, the Joint Committee on Industrial Co-operation and Conciliation may of its own initiative bring up for discussion or have referred to it any matter pertaining to company stores. Naturally, the steel workers are vitally concerned in the prices of goods in this company store, for increases in wages mean little to them if immediately followed by increases in costs of food and clothing.

In 1916, during the first year of the plan, the employes' representatives who were members of this committee conferred with several executives of the company on the proposition of selling goods at cost to employes. At this meeting the president of the company agreed to grant a reduction in price for large cash sales. But this was not satisfactory to the employes, because as one representative pointed out to us, such a concession would not help the workers who earned low wages and to whom reduced prices would be most helpful.

It was not until 1920 that the steel workers again tried actively to secure reduced prices for Minnequa employes at the company store. At the regular monthly meeting of the Committee on Co-operation and Conciliation, held on June 11, 1920, one of the representatives "brought up the question relative to a co-operative store for the steel works employes to cope with the . . . high cost of living."<sup>1</sup> This proposition was discussed at

<sup>1</sup> Minutes of the Fourth Regular Meeting, June 11, 1920.

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length and finally a motion was made and carried that the chairman appoint a committee of three "to take up the question with the management and see if any means can be worked out so that the employes of the steel works may receive supplies at a reduced price to help reduce their living expenses."<sup>1</sup>

Accordingly such a committee was appointed. At the following meeting of the Committee on Co-operation and Conciliation, held on July 9, 1920, the management was reported as seeming to be favorable to some project which would reduce prices at the company store.

At the meeting of the Joint Committee on Co-operation and Conciliation held a month later, on August 13, 1920, one of the representatives reported that the special committee on prices in the company store had met with the president and other officials of the company. He further stated that the committee was planning to get comparative prices from various stores in Pueblo and then hold a meeting again with the executives of the company.

The final report of the special committee was submitted at the meeting of the Committee on Co-operation and Conciliation, held two months later, on October 8, 1920. Representative Densmore, as chairman of the committee, stated "that the only report he would have to make at this time was that the figures obtained from the various stores show that the Colorado Supply Company is at present not higher than other stores doing business under the same method."<sup>2</sup>

He further stated that the president of the company had said, when meeting recently with the committee, that because prices of goods sold in the store were

<sup>1</sup> Ibid.

<sup>2</sup> Eighth Regular Meeting, October 8, 1920.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

declining, he "thought that there was nothing to be done at the present time; but when conditions became more stabilized he would be glad to reopen the matter."<sup>1</sup> The president had requested "that the committee be retained to get whatever further information it could that will be of benefit to the employes and the management."<sup>2</sup>

The committee of three was continued. The representatives who were on the committee declared that they did not feel that they had as yet accomplished their objective of securing food at reduced prices. The minutes in part read:

"Mr. Densmore added, that as far as this report goes, it does not prove or disprove much of anything, but as far as the company's intentions are concerned, from what was said, I believe the purpose of this committee has been advanced; the intention was to have the food stuffs reduced to the employes as much as possible. I do not feel that we have more than half completed what we set out to do.

"Mr. Sands stated that the main object of this committee has not been touched as yet, but this is just one of the duties imposed upon the committee. I think there has been a great deal done to make the service of the store better, and Mr. Welborn and Mr. Redmond in their talk here the other day seemed very fair and showed that it was their intention to do the very best they could for the employes, but they could not do very much at this time on account of the fluctuation in prices. I think the figures do prove that at the present time the Colorado Supply Com-

<sup>1</sup> Ibid.

<sup>2</sup> Ibid.



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pany store prices are just about on an average with the other delivery stores, but that the cash and carry stores are a little cheaper.

"The committee composed of Messrs. Densmore, Delihanty and Sands will be continued as a Colorado Supply Committee."<sup>1</sup>

In interviewing the employees' representatives who had investigated prices as just described, we found that some of them had failed to secure comparative prices charged on the same day by other merchants and the company store. After they had got price lists from other stores, they found that the company store did not keep records of prices charged on any one particular day in the past. Hence comparison was impossible. This incident illustrated the difficulty faced by workmen in attempting to make an investigation which requires special training and experience. We do not mean to imply that prices at the company store have been unreasonable, but rather that, under the Industrial Representation Plan, the men have taken the initiative to bring before the responsible executives of the company a problem so vital to them as the relation of the cost of living to wages.

## ATTITUDE OF THE STEEL WORKERS

The men were a unit in their opinion that since the introduction of the plan tremendous improvement had taken place in the Minnequa Steel Plant. First, physical conditions had been improved. Comfort stations and wash-houses had been provided in greater number. Safety work, although still inadequate, had been placed on a higher level of efficiency. Second, the plan had

<sup>1</sup> Ibid.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

changed the attitude of superintendents. "We now have a chance to complain without prejudice to ourselves," said one employees' representative. "We have backing from the company officials higher up."

The men felt, however, that it was only the higher officials of the company who were co-operative in their attitude toward the employees' representatives. The most serious obstacle to the success of the plan, according to one representative, "is the official inside the fence and not the official outside the fence." Another representative declared that there were too many minor officials with whom the representatives had to deal and that these officials were not favorably disposed to the plan. "The small officials think that the plan is a joke," said he, "and they buck us all the time. There are actually 32 foremen or small officials in my department with 150 employees, and all of these officials may be dealt with by the representatives." Two other representatives told us that in their opinion the greatest difficulties in the steel works were: (1) The lack of a right spirit among the under-officials and (2) the failure to apply the principle of seniority. "The foremen think they must fight the plan," said these men, "to set pretty with the superintendents. The superintendents do not like it because it takes too much authority from them."

It was only natural to find under the conditions just described, that the steel workers were reluctant to bring up their individual grievances for adjustment. Statistics for the total number of grievances dealt with through the various channels of the plan are not available. But some idea of the extent to which the employees avail themselves of the plan may be gained by the number of questions referred to the attention

## INITIATIVE OF THE WORKERS

of the president's industrial representative in 1920. During this year, one in which the employes' representatives were perhaps more active than in any other, with an average of 8,198 men daily employed in the Minnequa Steel Works and certain other company properties,<sup>1</sup> only 118 complaints, suggestions and recommendations were brought up for the consideration of the president's industrial representative.<sup>2</sup> Table 1 shows the number and percentage of these questions as they relate to living conditions, working conditions, wages, employment, and other subjects.

TABLE 1.—NUMBER AND TYPE OF QUESTIONS BROUGHT UP BY EMPLOYES AT THE MINNEQUA STEEL WORKS AND CERTAIN OTHER PROPERTIES<sup>3</sup> OF THE COLORADO FUEL AND IRON COMPANY, FOR CONSIDERATION BY THE PRESIDENT'S INDUSTRIAL REPRESENTATIVES, IN 1920

Subject of question	Number	Per cent
Working conditions . . . . .	53	44.9
Living conditions . . . . .	16	13.6
Medical treatment, doctors and hospitals . . . . .	11	9.3
Wage adjustments . . . . .	9	7.6
Employment . . . . .	9	7.6
Young Men's Christian Association . . . . .	8	6.8
Stores . . . . .	3	2.6
Miscellaneous . . . . .	9	7.6
Total . . . . .	118	100.0

<sup>a</sup> See footnotes below.

<sup>1</sup> These properties include lime quarries with 152 employes, the hospital with 145 employes, the Colorado Supply Company with 115 employes, and the Colorado and Wyoming Railway with 135 employes.

<sup>2</sup> These figures are taken from a chart prepared by the Colorado Fuel and Iron Company. Figures were not given separately for each of the properties mentioned in footnote<sup>1</sup>. From our first-hand knowledge of conditions in Pueblo, however, we feel safe in concluding that nearly all the 118 questions dealt with conditions at the steel works.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

Complaints may, of course, be taken up directly with officials of the company as well as with the president's industrial representative; or may be referred to the Committee on Co-operation and Conciliation. Prior to 1922 the company did not keep a record of adjustments by officials other than those handled by the president's industrial representative. In 1922 the management did keep such a record. Table 2 shows the number of ques-

TABLE 2.—NUMBER AND TYPE OF QUESTIONS ADJUSTED UNDER THE INDUSTRIAL REPRESENTATION PLAN AT THE MINNEQUA STEEL WORKS, LIME QUARRIES, AND IRON MINES OF THE COLORADO FUEL AND IRON COMPANY IN 1922<sup>a</sup>

Subject of question	Decision reached by				
	Local management	President's industrial representative	Joint conference or joint committee	Higher authority	Total
Working conditions	68	38	73	1	180
Living conditions	4	12	36	0	52
Wages	7	5	12	0	24
Recreation	0	0	24	0	24
Employment	3	5	9	0	17
Education	0	0	6	0	6
Medical department	1	3	2	0	6
Stores	0	1	0	0	1
Miscellaneous	3	4	9	0	16
Total	86	68	171	1	326 <sup>b</sup>

<sup>a</sup> From the Colorado Fuel and Iron Company *Industrial Bulletin*, January 15, 1923, p. 18.

<sup>b</sup> In addition, decision on 6 questions was pending at the end of the year.

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tions handled in the Minnequa Steel Works, iron mines, and lime quarries. It will be seen that of the total of 326 questions only 68 were adjusted by the president's industrial representative.

Table 2 includes questions brought up at the iron mines as well as questions adjusted by other means than the president's industrial representative. Whether or not more questions were brought up in 1922 than in 1920 we found no records to show.

We were convinced from our interviews with the workers, however, that they had not yet gained sufficient confidence in the Industrial Representation Plan to present their grievances freely through the various channels established under it.

## THE STRIKE OF 1919 AS A FACTOR

In describing the attitude of the steel workers toward the Industrial Representation Plan one important factor should not be overlooked, and that is the strike of 1919 about to be discussed in the following chapter. The men felt that the management showed a much greater co-operative spirit in 1920 after the strike was over than it had during the period previous to the strike. When we interviewed the representatives in the latter part of 1919 while the strike was in progress, most of them told us that the foremen and superintendents would not even discuss grievances with them. When the plan was first introduced these officials seemed to resent the activity of the representatives as men usurping authority.

A typical instance was described by one representative. In 1917 a certain group of employes wished to receive a higher rate of pay because they thought they

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

were doing the same work as those who were already receiving a higher rate. This representative submitted the request to the Joint Committee on Industrial Co-operation and Conciliation. He was asked by the committee to take the question up with the particular superintendent in charge of the work. The representative did so. Whereupon the superintendent demanded indignantly, "Who's running this mill, the men or the company?" The representative told us that the matter ended there. He did not even report the superintendent's statement to the committee; he felt it would be futile and he did not wish to cause any trouble. He did report the statement of the superintendent to the men who asked him to take the grievance up. They agreed to drop their grievance but they were all disappointed in the attitude of this particular superintendent and, consequently, in the plan.

The representatives in general felt much more strongly in 1919 than in 1921 that the foremen and superintendents were entirely opposed to the plan. To present a grievance vigorously meant to fight and incur the hostility of the officials. At some of the joint conferences held in 1919 the representatives openly complained that the superintendents were not co-operative. At one conference a representative arose and stated that, in his opinion, the superintendents were "wallflowers." They sat around during the conference and never "opened their mouths." The representatives had to do all the talking. An officer of the company, however, explained to us that this was due not so much to lack of co-operation on the part of the superintendents, but to the fact that President Welborn usually attended these joint conferences and the super-



## INITIATIVE OF THE WORKERS

intendents looked to him to express the opinion of the management. One of the most active representatives expressed his opinion of this problem in writing to the company in January, 1919, as follows:<sup>1</sup>

"With the employes and officers strictly abiding by the plan, in spirit as well as literally, conditions should be ideal, and any misunderstandings adjusted immediately with the full co-operation of both parties. That this has not been accomplished is plainly evident, and it is hardly possible that the entire responsibility can be attached to any one side.

"Practically all of the men's dealings are with the foremen, to whom they must first refer any grievances. Too much despotism is shown on the part of the management in upholding the lesser officials, without taking into consideration the merits of the case. It is becoming more and more evident that practically every dispute brought before officials for settlement assumes the nature of a contest. Very little is conceded without a lengthy argument. If this antagonistic attitude persists, the employes will be compelled to seek other means to secure justice.

"The burden of the plan is forced upon the representatives. At the general conference the local officials remain silent, even when matters are under discussion which concern their immediate department. Why not thresh out the matter then and there and settle it face to face?

"The men too often believe that the proper person

<sup>1</sup> Written statements filed with the company during January, 1919, in response to a circular letter from Harrington Shafer requesting the employes' representatives of the Minnequa Steel Works to express their views on the Industrial Representation Plan at the close of their term of service.

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to serve as representative is the man who is antagonistic to anything the company proposes. This is a great mistake, as they not only do not gain anything, but it often forces the officials to take the defensive when they would have otherwise been willing to grant what was right.

"Matters which seem of small importance when brought to the attention of the management, assume gigantic proportions in the eyes of the party concerned if unduly delayed or ignored, as is sometimes the case."

## ATTITUDE OF SUPERINTENDENTS AND FOREMEN

We interviewed most of the superintendents in 1919 and they declared that they were not opposed to the Industrial Representation Plan. They all thought that it was a "fine thing" for labor, and that wage-earners could not be treated in the same manner as in the days of old. The worker needed machinery to have his case heard. Some of the foremen, however, did tell us that they were at first prejudiced against the plan because they were not taken into consideration when it was drafted. The employees elected their representatives. The management appointed superintendents to represent it on the joint committees. The foremen were then between an upper and nether millstone. The company and the superintendents held them responsible for the accomplishment of the work. The employees' representatives came directly to them with grievances. The foremen themselves had no means of having their cases heard. Moreover, when the plan was first introduced, the foremen were not even called together. The plan was not explained to them. They

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did not understand either the letter or the spirit of the plan. They looked upon it as something that took their authority away but gave them no privileges. It was not until late in 1919 that the foremen were placed under the Industrial Representation Plan and were granted the right to elect representatives. Not until 1919, also, were the foremen nominated by the management to represent it in joint committees and conferences. At the time of this investigation, very little had as yet transpired which would enable one to reach any conclusion on the effect that this recognition of the foremen's interest would have on their attitude toward the plan, but it is safe to assume that the representation granted the foremen will stimulate a keener interest in the plan on their part.

### A MORE CO-OPERATIVE ATTITUDE IN 1921

In 1921, more than a year after the strike, when we again interviewed the steel workers and their representatives, we found that they felt that most of the superintendents and foremen were still, as has already been indicated, far from being co-operative. On the other hand, the representatives stated that the higher officials showed a more co-operative attitude in their desire to make the Industrial Representation Plan work satisfactorily. There was a greater readiness to reverse decisions of subordinate officials when complaints were registered by the employes' representatives. This policy on the part of the higher officials of the company was not without its effect on the superintendents and foremen within the steel works. One representative told us in 1921 that the foreman of his department belonged to the old school. Until recently

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he had been opposed to the Industrial Representation Plan. But he was now becoming more co-operative because he had learned that when the representatives appealed to higher officials they got results. He finally realized that it would be best for him to work harmoniously with the representatives. Indeed, this particular foreman had even begun to consult and secure the approval of the employees' representatives in his department before making any changes which might affect the interests of the employees.

If the men believed that the steel strike had resulted in a more co-operative attitude on the part of the management, some of the company officials declared with equal emphasis that after the strike the men had settled down to give the plan a fair trial; and that the representatives elected since the strike displayed a desire to support the plan.

One thing is clear. It was not until 1920, four years after the plan was introduced, that the employees' representatives felt that they had any real status or power in acting for their constituents. The strike of 1919 which marks such an important turning point in their attitude is, therefore, of more than historical interest.

## CHAPTER VIII

### STRIKE OF THE MINNEQUA STEEL WORKERS

THE strike of the Minnequa steel workers, which began on September 22, 1919, was part of a national strike; and the campaign to enlist the employes of the Minnequa works as union members, which preceded the strike, was part of a national movement to organize the steel and iron workers of the country. The movement began in April, 1918, when a resolution was introduced in the Chicago Federation of Labor recommending to the unions having jurisdiction of steel workers that they request the American Federation of Labor to institute an organizing campaign among the steel workers of the country.<sup>1</sup>

But no action was taken until the annual convention of the American Federation of Labor, held in St. Paul in June, 1918. Here the delegates from the Chicago Federation of Labor again took the initiative and introduced a resolution calling for a conference during the current convention of the international unions having jurisdiction in the steel industry. Such a conference was held and it recommended that another meeting be called to which the unions would send delegates and discuss the program of organizing the steel workers of

<sup>1</sup> There is no one union for steel workers as there is for all engaged in coal mining. Consequently, each steel worker, if he wishes to become a member of a trade union, must join the one which has jurisdiction over his craft. For instance, a machinist would have to join the International Association of Machinists.

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the country. This conference was held on August 1 and 2, 1918, with Samuel Gompers as chairman. It was at this conference that the national committee for organizing the iron and steel workers was formed, and during the following month, September, 1918, the campaign to enroll steel workers as union members began in the Chicago district.

### THE ORGANIZING CAMPAIGN IN PUEBLO

The secretary of the Pueblo Trades and Labor Assembly was appointed organizer of steel workers for the Pueblo district. It should be understood, however, that members of the mechanical crafts, such as the machinists, electricians, molders, pattern makers, and engineers had always had local unions in Pueblo, and that some of the mechanics working in the Minnequa Steel Works belonged to these unions. But a general organizing campaign of the steel works as a whole had never been initiated before. It is interesting to note, moreover, that although the Pueblo organizing campaign was part of the national movement, the actual work was done essentially by employes of the Colorado Fuel and Iron Company. The organizers were not outside union officials sent to Colorado, but, with the exception of the secretary of the Pueblo Trades and Labor Assembly, were employes of the Colorado Fuel and Iron Company. Some of them, as will presently be shown, were employes' representatives.

When the influenza epidemic had abated, in the winter of 1918-19, and the health authorities lifted the ban on meetings, an intensive organizing campaign was prosecuted in the steel works. Mass meetings were held in halls, parks, and the Labor Temple. All the



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craft unions, which had previously existed in Pueblo, enrolled as members large numbers of the mechanics working in the steel works. In addition, four lodges of the Amalgamated Association of Iron, Steel and Tin Workers were formed. These four lodges embraced most of the men working in what are termed the production departments.<sup>1</sup> The employees of the coke department formed a lodge of the International Union of Mine, Mill and Smelter Workers. Altogether 16 unions of steel workers were organized in this campaign and federated into the Allied Steel Council of Pueblo, which became the policy-forming body of the Minnequa steel workers. In July, 1919, the national committee for organizing iron, steel, and tin workers authorized a strike vote throughout the country.<sup>2</sup>

<sup>1</sup> These departments are: Blast Furnaces, Bessemer, Open-hearth, Rolling Mills, Wire Mill, and Rail Mill.

<sup>2</sup> A copy of the ballot follows:

### BALLOT

#### IRON AND STEEL WORKERS

The Union Committees are now seeking to get higher wages, shorter hours, and better working conditions from the steel companies. Are you willing to back them up to the extent of stopping work should the companies refuse to concede these demands?

\* \* \* \*

(A similar notice was printed in five foreign languages.)

---

Mark X in square indicating how you vote.

YES

☐

NO

☐

Amalgamated Association of Iron, Steel and Tin Workers of North America, FRED. KEIGHTLY, Sec'y-Treas., 503 House Bldg., Pittsburgh, Pa.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

The Allied Steel Council of Pueblo polled the membership of their affiliated unions from the Minnequa Steel Works. According to the statement of the strike committee, 98 per cent of the members voted for a strike, "all other means failing" to negotiate a trade agreement between the Colorado Fuel and Iron Company and the interested labor unions. An executive committee, consisting of five members, was then elected to represent the Allied Steel Council and its affiliated membership in negotiations with the management.

## RESPONSE OF THE STEEL WORKERS

The steel workers employed by the Colorado Fuel and Iron Company walked out almost in a body on September 22, 1919, the day on which the national steel strike took effect. The strike was so effective that the management had to close down the plant. This completeness of the strike in Pueblo was a surprise to company officials. They had thought that employees were so well satisfied with the Industrial Representation Plan that only a few would respond to the national strike call.

Yet dissatisfaction with the plan according to the steel workers interviewed by us was one of the chief explanations for the completeness of the strike. Indeed, some of the most active representatives elected under the plan were also the most active organizers of the steel unions.<sup>1</sup> The executive committee of the Allied

<sup>1</sup> One company official stated to us that the 1919 election for representatives was drawn on union lines and that a man could not be elected a representative unless he was a union man. On the other hand, representatives and other workers declared in their statements to us that no concerted effort was made to elect only union men as representatives.

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Steel Council in Pueblo, which conducted the local strike, consisted of five members. Two of these had been employes' representatives during 1919 until the time of the strike. One other had been a representative some time before; while all but a few of the 40-odd representatives elected in 1919 under the Industrial Representation Plan from the various departments of the steel works were union men; and of these a good portion were either at the time or later elected officials of local unions—such as presidents, secretaries, and treasurers.

This condition was made possible largely because the management had adhered strictly during the organizing campaign to the provision in the plan that there shall be no discrimination because of membership in a union. So liberal was the company in the interpretation of this provision that it actually permitted the representatives to organize men while on duty in the works. Several representatives, who were also active union men, told us that they usually carried with them a number of application blanks and solicited members during working hours. One millwright, for instance, was secretary of his union and also a representative. As a millwright he repaired breakdowns in many departments. The company, therefore, could not object to his moving about the plant, and it was easy for him to see a large number of men during the day. He was not slow to capitalize this opportunity. He always carried application blanks in his pocket, he told us, and signed up men for union membership during working hours.

Almost every superintendent interviewed said that he and his foremen knew that the representatives who were active union men were enlisting workers into

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unions. The superintendents told us wistfully how they would have liked to check these organizing efforts. Those who solicited union members in the plant, they contended, should have been discharged immediately. Nothing would have given them more pleasure than to do this; but, lacking authorization, they were helpless.

Some company officials informed us that the management permitted these organizing activities because, first, the plan guaranteed freedom for the workers to join a union; second, the management did not expect that the organizing campaign would meet with great success; or, if a steel strike were called, that the employes would respond in large numbers. The general impression among officials was that even if a national strike was not averted, a large majority of the men at Pueblo would remain at work.

One of the representatives who solicited members for unions told us that a superintendent called him into the office one day and asked him whether he was enlisting union members during working hours. The representative admitted that he was. The superintendent, thereupon, declared that he was satisfied. He was glad to see a conservative employe like the representative in question take an interest in the union. If the men were to be organized into labor unions, he went on to say, it was best that the conservative men should play a prominent part and act as a check on the "radicals."

As an explanation of their desire to be affiliated with trade unions, employes' representatives, who were also active union men, told us that they felt that under such a plan as existed in the Minnequa Steel Works they were impotent. They stated to us over and over

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again that when they went into conference with the representatives of the management to discuss grievances they felt ineffective and powerless. They had no backing. The men were not organized, and the representatives could make no threat which would give force to their demands. Under the plan, they said, it was simply a matter of taking what the management was willing to give them.

To secure an adjustment of grievances under the plan, moreover, often meant, according to the representatives, such vigorous opposition on the part of foremen and superintendents that it produced bitterness between the workers and their immediate superiors. Furthermore, the steel workers felt that it was difficult for them to secure adequately trained and independent representatives from their own numbers, and because of the antagonism of superintendents and foremen, only fearless and competent representatives could fight a case for an employe with any effectiveness.

In addition, a large number of grievances existed among the individual workmen which had never been presented to the management. These grievances related mostly to rates of pay and to seniority. Had we had the time, we could have picked up literally scores of complaints where workmen thought that the management was unfair in making certain promotions, or in determining certain rates of pay. We are not, of course, competent to pass upon the merits of these cases, but the important fact is that the men had grievances which they had never brought to light.

It should be remembered that it is the attitude of the men, as it was in 1919 prior to the steel strike, which is being described here. We have already shown that

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following the strike a more co-operative attitude was developed between company officials and employees' representatives, as a result of which many of the grievances were satisfactorily adjusted in 1920 and 1921. Nevertheless, the statements of the men, that under the Industrial Representation Plan they find themselves impotent and that they lack trained representatives, deserves further analysis. For when the employees' representatives made these statements they had in mind the status of employees' representatives in negotiations between management and men under trade union agreements or union contracts. Where union contracts are in effect, the employees' representatives are as a rule union officials. They are mostly paid officials and devote their time to negotiating trade agreements with employers and to assisting in the administration of these agreements. Thus in time they become expert in this type of work.

Many steel workers felt that they themselves lacked the training and experience to be able to meet company officials and other specialists, such as accountants, personnel workers and lawyers retained by the management on an equal footing. They needed the aid of union officials who have become expert in representing the interests of wage-earners. Moreover, union officials represent a certain amount of power because they are supported by an organization of disciplined men and a treasury. Now, the employees' representatives in the Minnequa Steel Works contended that the possession of power was necessary in order to give effectiveness to their dealings with company officials. "Under the Industrial Representation Plan," declared one of the active representatives, "you are like a general without



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an army." As contrasted with their lack of power other representatives pointed to that possessed by the company by virtue of the fact that it controlled the jobs of the employees' representatives as well as those of all the other workers. For under the Industrial Representation Plan the representatives must be employees of the company.

The workers' desire for power in dealing with company officials may further be explained by the fact that in many of the grievances and complaints which arise in personnel relations, it is impossible to arrive at a decision on a basis of facts, and agreement must, in the nature of the case, represent a compromise. Many of the factors are psychological and do not lend themselves to exact measurements. It is in such instances that wage-earners do not wish to rely entirely on the spirit of fairness and generosity of managerial officials; but, rather by balancing their power of organization against the company's power of controlling the job, arrive at some decision which seems under the conditions the best compromise.

One factor had perhaps as much to do as anything in giving the leaders of the steel strike a great deal of confidence that it would be successful and short-lived. Some of the most active union men were representatives of the steel workers in December, 1918, when after a short strike of the railway employees working in the yards of the Minnequa plant, the officials of the company negotiated a trade agreement with two union officials. These officials were vice-presidents, respectively, of the Brotherhood of Railroad Trainmen and the Brotherhood of Locomotive Firemen and Enginemen. They acted for the railroad employees of the Col-

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orado and Wyoming Railroad, a subsidiary of the Colorado Fuel and Iron Company. Indeed, the representative who was later the chairman of the steel strike committee was the one who in 1918 was active in bringing the railroad men and company officials together to negotiate this agreement.<sup>1</sup>

It happened in this way. The engineers, firemen, and switchmen of the Colorado and Wyoming Railroad struck, and so complete was the tie-up that it looked as if the whole Minnequa plant would have to be closed. Inasmuch as the trainmen of the Colorado and Wyoming Railroad were responsible for the transportation service of the steel works, the president of the company called in the steel workers' representatives in order to lay the case before them and to secure their assistance. Due largely to the efforts of several representatives, the strike was ended in twenty-four hours and an agreement negotiated between the railroad men and the company. It was at the time when this strike took place that the campaign to organize the steel workers into unions was being actively planned, and the union leaders among the steel workers reasoned that if all the steel workers should respond to a strike call as the trainmen had just done, and if the tie-up should be so complete that the plant would have to be closed, the company would take exactly the course which it pursued in regard to the trainmen's strike. It would at once sign an agreement.

As an explanation of the success met by the campaign to enlist steel workers as union members, company officials stated that many of the steel workers had been given the impression when they joined the unions that

<sup>1</sup> The railway strike will be fully discussed in the next chapter.

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they would not be called out on strike. The men had been assured by the organizers, according to company officials, that conditions were good in the Minnequa Steel Works and that a strike in eastern plants would probably be called in order to obtain the same conditions which the Pueblo workers enjoyed. All that would be asked of the Minnequa steel workers would be to lend their moral and perhaps their financial support to the eastern strikers.

When we first arrived in Pueblo, in November, 1919, which was seven weeks after the strike had been called, we found a number of steel workers who told us that they had received such an impression. Some union leaders declared that perhaps the impression had been given to the men that no strike would take place. They further said that they really had not believed that a strike would be necessary. They had thought that when the management realized that the great majority of the men had joined the union and wished a union contract rather than the Industrial Representation Plan, the wishes of the majority would be granted. They explained, moreover, as a matter of union strategy, that in organizing campaigns, men are not enrolled into unions with the specific objective of calling a strike, but rather for the primary purpose of improving their working and living conditions. After a sufficient number of men are enrolled, certain demands for improved conditions are made upon the management. It is only after the demands are rejected, or negotiations denied, that steps are taken for the calling of a strike.

These union leaders, therefore, declared that they never took the definite position that there would or would not be a strike. They simply assumed that there

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would be none, or, if one should be called, that it would be short-lived. Some leaders also thought that the federal government would never permit the occurrence of a national steel strike, and that arbitration would be insisted upon by President Wilson. They pointed to the fact, moreover, that a strike vote among the Minnequa workers was polled. If the men had not wished to strike, certainly they would have taken this occasion to indicate their objection. As a matter of fact, 98 per cent of those present at the meeting where the ballots were cast voted for the strike, and all but an insignificant minority of the workers actually walked out on the morning of the strike.

### ATTEMPTS AT NEGOTIATION PRIOR TO THE STRIKE

On September 17, 1919, five days before the strike was called, a regular quarterly conference was held under the Industrial Representation Plan between employees' representatives and an equal number of representatives of the management.

This conference was conducted in the same manner as were other quarterly conferences. The president of the company presided. A number of subjects were discussed including the formation of a co-operative coal company, the installation of automobile garages in the steel works, repairing the roof over part of the rail mill, the rule governing pay for overtime, the rates of pay for certain jobs, and the sale of company houses. Neither representatives nor company officials mentioned the pending national steel strike which was to begin five days hence, on September 22.

On the following day, September 18, the executive committee of the Allied Steel Council of Pueblo pre-

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sented to the manager of the Minnequa plant the 12 demands prepared by the national committee for organizing iron, steel, and tin workers. These were:

1. Right of collective bargaining.
2. Reinstatement of all men discharged for union activities with pay for time lost.
3. The eight-hour day.
4. One day's rest in seven.
5. Abolition of twenty-four-hour shifts.
6. Increases in wages sufficient to guarantee American standards of living.
7. Standard scales of wages for all crafts and classification of workers.
8. Double rates of pay for all overtime work and for work on Sundays and holidays.
9. Check off system of collecting union dues and assessments.
10. Principles of seniority to apply in maintaining, reducing, and increasing working forces.
11. Abolition of company unions.
12. Abolition of physical examination of applicants for employment.

The committee also showed the manager a telegram from the secretary of the national committee authorizing the steel workers in Pueblo to walk out on September 22, when the nation-wide strike would take place. The committee stated, however, that if the company would agree to recognize the unions, the workers of the Minnequa plant would not be called out on strike. Instead, the committee would wait until the national strike was ended, and then negotiate an agreement covering wages, hours of work, and other conditions

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with the company. The manager immediately informed the committee that the company would not recognize any unions and would continue to operate under the Industrial Representation Plan. But he said that he would ask the president to come from Denver to meet with the committee, so that the steel workers might know the official policy of the company.

That same day the president came to Pueblo. He first called a meeting with representatives under the Industrial Representation Plan. He told them of the 12 demands that had been put to the management by the executive committee of the Allied Steel Council, and stated that the management was ready to negotiate any of the demands except those which meant the displacement of the Industrial Representation Plan by union contracts. He called on the various representatives to state their opinions on the strike. None of them, we were told, gave a clear statement on the issues of the strike. The chairman of the executive committee of the Allied Steel Council, who was a representative, was present for a while at this conference but refused to participate. His attitude, as well as that of the other representatives who were union men, was that the strike was essentially a trade union affair and, therefore, they did not care to discuss it with the management "under the machinery provided in the Rockefeller Plan."

On the following morning, September 19, the president and other company officials met with the executive committee of the Allied Steel Council. The issue at this conference narrowed itself down to the question as to whether the Industrial Representation Plan should be continued or should be displaced by collective bar-



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gaining between the company and the unions at the Minnequa Steel Works. The conference broke up without agreement.

On the following day, September 20, 1919, conferences between the management and the executive committee of the Allied Steel Council having failed, each side issued a statement to the public through the newspapers. The president of the company outlined the 12 demands made by the union committees. He indicated that most of the conditions demanded already existed in the steel works, and that the action of the employes was an entire surprise to the company, because nothing had been said about them to the management at the regular quarterly meeting held under the plan on September 17. He said:

“We were surprised at this action in view of the fact that at the regular quarterly conference with representatives of our employes held in accordance with our plan of industrial representation on Wednesday of this week, no mention was made of the probability of demands being made upon us or of our men participating in threatened steel workers’ strike and that the matters usually considered at such meetings were fully discussed and adjusted to the satisfaction of all.”<sup>1</sup>

The president went on to say that, after the steel committee had presented the 12 demands to the company, another meeting was called of all the representatives. The statement continues:

“The officers of the company [again] met the representatives of the workmen, some 40 in number, Thursday night. The discussion at that meeting,

<sup>1</sup> *The Pueblo Chieftain*, September 20, 1919.

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and with the committee of five previously referred to at another meeting held this morning, brought out free acknowledgments by a considerable number of the representatives and by the committee that their working and living conditions under the operation of the Industrial Representation Plan had greatly improved and were now much better than prevailed at eastern plants, that the treatment received at the hands of the company was fair and that there had been no discrimination against men on the part of the company officials because of union activities. It was also unqualifiedly admitted that the eight-hour day, with one day rest in seven, except where men requested otherwise, prevailed at this plant; also that no men were required to work twenty-four-hour shifts.

"It was admitted, too, that wages paid here are, so far as known, at least as high as those paid by eastern manufacturers."<sup>1</sup>

The president further defined the real issue in the demands of the committee as "whether or not trade union agreements should displace the industrial representation plan." Continuing, he said:

"Although the 12 points covered by Bulletin No. 2 do not directly ask for a contract with union organizations, the committee of five stated that the real object sought by the demands made on us was agreements with the various trade unions and abolition of our plan of industrial representation.

"Our reply to the committee's demands was that we were quite willing to discuss with it and representatives of our employes now serving under the In-

<sup>1</sup> Ibid.

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dustrial Representation Plan any of the points in Bulletin No. 2 which did not involve discontinuance of the plan, but it having been so satisfactory to our employes, as evidenced by the statements from them and their representatives, we could not consider its abolition but would continue to operate our business in accordance with its provisions. The committee answered in effect that it could not consider anything except a complete acceptance or rejection of the 12 points; that, the real issue being whether or not trade union agreements should displace the Industrial Representation Plan, union men were willing to test strength with the company on that proposition.

"Much as we would regret to see a strike of our steel works employes which would seriously cripple operations here and curtail production of coal, we believe the public and a majority of our employes will approve the stand we have taken. The officers of the company hold themselves in readiness to confer further with the employes for the purpose of averting a strike if possible."<sup>1</sup>

The executive committee for the Pueblo Allied Steel Council issued a statement in reply. It indicated that the steel workers considered that the 12 demands, although drafted for the steel industry as a whole, applied to the Minnequa Steel Works. In fact, all but three of them were directly applicable to conditions in Pueblo. Their analysis of the demands follows:

"The Allied Steel Workers Council of Pueblo, composed of 16 organizations working in the plant of the Colorado Fuel and Iron Company, and affiliated

<sup>1</sup> Ibid.

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with the American Federation of Labor, hereby issues the following statement regarding our attitude in the presentation of the 12 demands of the Iron and Steel Workers of Pueblo to the Colorado Fuel and Iron Company.

"It has been stated that the employes of the Colorado Fuel and Iron Company have no grievances and that the Rockefeller Plan is satisfactory to the employes of that plant. The 12 demands stated briefly are:<sup>1</sup>

1. Under the Rockefeller Plan no collective bargaining exists from a trade union standpoint.

2. No contention.

3. No contention.

4. One day's rest in seven. All employes of the plant do not enjoy this privilege, many are forced to work seven days a week against their wills.

5. No contention.

6. The majority of the employes of the Colorado Fuel and Iron Company are receiving but \$3.68 per day and we ask the public if this wage is sufficient to maintain a family in these days of the extreme high cost of living.

7. The company does not recognize Standard Scale of Wages and Classification of Workers. The men's wages in most departments are entirely at the mercy of the foremen.

8. Double rates of pay for all overtime work and for work on Sundays and holidays are denied the workers in the Minnequa plant. No overtime is being paid for Sundays or holidays.

9. Check-off system of collecting union dues and

<sup>1</sup> For exact statement of demands, see page 177.

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assessments is no new thing and works the same as the collection of hospital fees and so forth.

10. Principles of seniority as applied in this plant can be greatly improved.

11. Abolition of company unions. No more proof is needed to demonstrate that labor's future must be worked out for labor through its own trade union organization, directed by labor without the patronage of employers' so-called company unions.

12. Abolition of physical examination. Debars men from working in the plant who have reached the age of forty-five."<sup>1</sup>

In the same statement the committee declared itself ready to negotiate an agreement with the management on the basis of the 12 demands presented to the company.

"The undersigned committee in conclusion desires to say that the statement appearing in a local paper to the effect that this movement is purely sympathetic is false and without foundation.

"Under the so-called company plan, working conditions, hours, and wages are governed by their competitors in the steel industry.

"The movement becomes national in scope and we are compelled to stand squarely behind the 12 demands.

"The above demands are general in character and subject to development when the various organizations prepare their respective trade demands. We stand ready and willing to negotiate an agreement with the management of the Colorado Fuel and Iron Company, based upon these demands."<sup>1</sup>

<sup>1</sup> *The Pueblo Chieftain*, September 29, 1919.

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### THE SHUTDOWN OF THE STEEL WORKS

Only an insignificant number of men reported for work the morning of September 22, the day on which the strike began. The union officials (who, it should be remembered, were all company employes) offered the management an adequate number of men to bank the furnaces. The company announced that it would close the plant until the men returned to work.

In the early part of October the strikers through their committee sent a telegram to John D. Rockefeller, Jr., as the most influential member of the board of directors and stockholders of the Colorado Fuel and Iron Company. The committee asked for an opportunity to confer with him. It offered to meet Mr. Rockefeller either in Pueblo or in New York. Mr. Rockefeller did not reply directly to the committee. It received his answer through the president. The statement issued by the Allied Steel Council shows that the president reiterated the position he had taken in the first conference with the strike leaders. It follows:

"The Pueblo Allied Steel Council recently wired John D. Rockefeller, Jr., asking a conference with a committee representing the 6000 men on strike here, and received their answer through President J. F. Welborn, at a conference held yesterday afternoon. Mr. Welborn stated that Mr. Rockefeller had placed the entire matter in his (Mr. Welborn's) hands and that his (Mr. Welborn's) attitude had not changed since the meeting of September 19 when he stated the company's determination to continue operating under the Rockefeller Plan. After the committee



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had carefully gone over the situation, the meeting adjourned. The men say that their action of walking out nearly 100 per cent Monday forenoon is a repudiation of the said plan and Mr. Welborn's action is an attempt to jam the plan down the men's throats.

"They are willing to continue the struggle to any length to establish real democracy and are making arrangements to care for all strikers who may need assistance."<sup>1</sup>

The fact that Mr. Rockefeller refused to meet their representatives personally was a disappointment to the steel workers. They felt, they told us, that if they could have met him man to man they would have been able to persuade him that the Industrial Representation Plan did not offer them adequate protection in vital working conditions.

On October 2, 1919, the Allied Steel Council issued an open letter to the officials of the Colorado Fuel and Iron Company, asking the company to negotiate an agreement with the steel workers just as it had done with the railroad employees. In this letter the Council also mentioned the fact that many grievances existed in the plant of which the higher officials were not cognizant, and that these grievances had not been adjusted and had therefore created discontent. The letter stated that the employees were not satisfied with the present method of determining wages. Under the plan, determination of wages was entirely taken out of the realm of collective bargaining and the employees of the Colorado Fuel and Iron Company were dependent upon action taken by the United States Steel Corporation. The Council in-

<sup>1</sup> *The Pueblo Chieftain*, October 27, 1919.

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sisted that the Minnequa men could not sit idly by and watch their fellow-workers, that is, the steel workers in the East, wage their fight for them. Such action would brand the Pueblo steel workers "as little less than parasites." Finally attention was called to the peaceful nature of the strike—not even a single fist fight had taken place—and the company was reminded that in 1903, when only a single craft had conducted a strike in the steel works, violence had occurred.

On October 5 the executive committee of the Allied Steel Council addressed another open letter to President Welborn. It stated more specifically that the steel workers were not satisfied with the Industrial Representation Plan, and that their action on September 22, when they struck in a body was ample proof of this fact. It asked for collective bargaining through trade unions. The Council denied that it sought a "closed shop" and expressed itself as ready to negotiate at any time an agreement similar to the one negotiated in 1918 between the company and the officials of the railroad brotherhoods.

The president of the company replied in a statement to the press. He admitted that minor grievances might exist in the steel works, but he pointed to the machinery available under the plan for the presentation of them. He further declared that at the regular quarterly conference held immediately before the strike was called, no dissatisfaction had been expressed with the plan. He reminded his employees that the eight-hour day prevailed in the Pueblo Steel Works. He also raised the question whether absence of violence in the strike might not be due in part to the contacts made under the plan between the officials and the employees. The

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company was willing to negotiate with its employes, finally declared the president, but it would not abandon the plan.

### THE BACK-TO-WORK ORGANIZATION

On October 9 a statement appeared in the Pueblo newspapers that a Back-to-Work Organization had been formed among those steel workers who wished to return to work. About this organization the president of the company had the following to say in his annual report:

“Within ten days thereafter, however, our employes formed a ‘Back-to-Work Organization’ and asked for a meeting of its committee with the manager of the plant. This meeting was granted, it being composed of about 45 of our former employes, who represented the following declaration of principles:

‘I am a member of the Back-to-Work Organization.

‘I was satisfied with conditions as they existed at the Minnequa Plant of the Colorado Fuel and Iron Company before the strike was called for Monday morning, September 22, 1919.

‘Moreover, I am ready and willing to return to work at the said mill, on the same job at which I was working whenever the Back-to-Work Organization attains such a membership as to make it possible for the said company to reopen and operate its plant.’

“Other meetings with this committee and additions thereto, which finally reached a total of 200, were held at least once per week thereafter. The sentiment in favor of returning to work had so developed that the plant could have resumed operations in October, except for the then impending coal strike,

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which made it seem desirable to postpone that action. The coal strike called for November 1 did not seriously affect our coal production, but the entire product of our mines was immediately commandeered by the government for emergency domestic requirements in new territory, and the Railroad Administration declined to permit us to use any of it for the steel plant until December 15, on which date operations there were resumed."<sup>1</sup>

We tried to collect the facts about this Back-to-Work Organization, but few were available. The *Pueblo Star Journal* stated on October 12, 1919, that the Back-to-Work Organization had secured 2,655 names to a petition to abandon the strike. This organization, according to the newspaper, expected soon to have 4,000 names. We interviewed the steel worker who organized the Back-to-Work Organization. He told us that he did not know how many signatures were obtained on petitions endorsing the Back-to-Work Organization. All that he knew was that at the end of the first week he had 222 signatures. After that he did not count them any more. They were turned in to the secretary of the manager of the steel plant. We requested the manager of the works to show us the petitions and the total number of signatures, but were informed that the last petition was destroyed a week prior to our interview (February 29, 1920).

Many intelligent steel workers, who were not union men and not in sympathy with the strike, informed us that in their opinion many steel workers had been

<sup>1</sup> The Colorado Fuel and Iron Company, *Industrial Bulletin*, Vol. V, No. 1, January 20, 1920. Page 3.

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stampeded into the Back-to-Work movement, and that they themselves would have nothing to do with it.

### RESUMPTION OF OPERATIONS

During the latter part of October it had become definitely known that the national coal strike would take place on November 1, 1919, and at this time the newspapers reported that the management of the Colorado Fuel and Iron Company said that the Minnequa Steel Works would resume operations as soon as sufficient coal could be obtained. On November 9, a little over six weeks after the steel strike had taken place, the company began to engage workers.<sup>1</sup> On that day 150 men were employed. The maximum number of men employed during any day in November was about 1,400. This was a little over one-fifth of the normal personnel—6,500—employed when the strike was called. On December 12 the company made public the statement that the plant would resume operation within a week, since the Fuel Administration had announced that coal would be released within a few days.

On December 14 the management published a half page advertisement in the newspapers addressing the former employes of the steel works. It described the Back-to-Work Organization which had been formed, and stated that 1,500 men were already engaged. It declared that the coal strike had prevented any further increase in employment, but now that the coal strike had been called off, enough fuel would be available for the resumption of work. Application blanks were printed in English at the bottom of each advertise-

<sup>1</sup> The manager of the steel workers told us that he did not keep a separate record of those who were new employes.

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ment, asking former employees to sign their name and address and mail them to the manager.

On December 17 the plant resumed operations. About 1,650 men, or one-fourth of the normal personnel, were put to work. The steel strike, however, was not formally called off until January 8. At this time about 3,500 men were already employed. From that time on, the number employed gradually increased until February 3, when 5,500 were at work.

## ABSENCE OF VIOLENCE

A conspicuous feature of the strike was the absence of violence. When we first came to Pueblo the strike, as we have noted, had been in existence about seven weeks. Approaching representatives of the strikers, almost the first statement that came from them was, "What do you think of it? This strike has been on for seven weeks and there has not been a single fist fight yet. This is probably the biggest single strike that ever took place in the state. Six thousand employees are involved. When you remember that only a few years ago—in 1913-14—one of the most violent strikes in the history of the country was waged in the southern coal fields, this certainly is a remarkable record."

The absence of violence was due to several factors. The chief one, perhaps, was the policy pursued by the company of completely closing down the plant when the steel workers walked out rather than that of employing strike breakers and professional guards. Thus in the early stages of the strike, altercations were impossible. Again, under the Industrial Representation Plan personal relationships had been developed between the executives of the company and the leaders of the em-



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ployes. The leaders of the strike had sat around the same table with superintendents and foremen as members of joint committees. They had met together periodically at quarterly conferences called under the plan. They had come into contact with the president of the company as the presiding officer of these conferences.

In addition the leadership of the unions in Pueblo was sober and conservative. In almost every strike meeting which we attended each leader spoke emphatically against violence. They urged nothing except peaceful picketing. They discouraged the use of the word "scab." "You can catch more flies with sugar than you can with vinegar," was the statement of one organizer. The men hoped, furthermore, that a peaceful and conservative attitude would show the management and the public that the unions could be trusted with the responsibility involved in signing a trade agreement.

## DIFFICULTIES AT END OF STRIKE

Some minor difficulties did occur toward the end of the strike. On November 10, when the company was beginning to resume operations and employ men, the number of pickets increased. A number of women and children were recruited to the ranks of the pickets. When the men who had returned to work came to and from the steel plant, they were jeered at and upbraided by the pickets. Police officers and members of the sheriff's force were present, but no indication whatever was given that the pickets would resort to acts of violence.

On November 16, the president of the City Council of Pueblo and the sheriff of the county issued a joint statement in which they declared that the strike was

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causing suffering in Pueblo, and that they would afford protection to those who wished to return to work. The statement follows:

"To the Citizens of Pueblo:

"The closing of the steel plant in this city is of very serious moment to our people. Every man, woman, and child is feeling the effect of it. Families are in want, many of them actually suffering for the bare necessities of life. Our business community is becoming stagnant. Idleness of thousands of men will not pay rent, feed, clothe, nor properly house their families, and winter is upon us. We are convinced from information received from all sources that a great majority of the steel works employes are anxious to return to their employment. We are also assured by the management of the Colorado Fuel and Iron Company that the steel plant will again be put in operation as soon after coal is at hand and a sufficient number of their former employes report for duty. Many of them are already at work.

"We do not assume to determine the right or wrong of the strike, but a grave responsibility is upon us, and in the interest of all concerned we must discharge our sworn duties with fairness and impartiality. As officers of the law we must at this time see that every man willing to work will have the full protection of the law. We can do no less.

"Respectfully,

"S. E. Thomas, Sheriff.

M. Studzinski,

"November 15, 1919. President of the Council."<sup>1</sup>

<sup>1</sup> *The Pueblo Chieftain*, November 16, 1919.

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The strikers resented this statement, because they thought it implied that they contemplated violence and, consequently, that the public would be prejudiced against them.

When the company announced on December 16 that operations would be resumed that week, more pickets were put on the streets adjoining the steel plant. On December 22 occurred what might be termed a semblance of violence, although in any other strike of similar magnitude it would be considered a mere flurry. As the men who had returned to work came from the steel plant, a number of women pickets threw snowballs and mud at them. A hurry call was sent to the police station. But the flurry was soon over. No one was seriously injured. By the time the police arrived the crowd had gone home.

On December 23 a similar incident occurred. The police attempted to arrest several women pickets. The following two days were quiet. Not a single serious casualty had as yet occurred. On December 26 a few pickets were arrested. On that day, also, the manager, while driving home from his office, was shot at, five bullets striking the automobile, one of them puncturing the radiator. The manager himself was unhurt. The Allied Steel Council immediately offered a reward for the apprehension of the person or persons who had shot at the car. After the shooting, a committee of business men asked the Governor of Colorado to send a detachment of troops to Pueblo. This he did two days later. The commanding officer immediately prohibited picketing. The steel workers observed this order. Several days later, January 5, 1920, the strike was called off.

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## POLICY OF THE COMPANY IN RE-EMPLOYING STRIKERS

The strikers, with the exception of a few very active leaders, gradually applied for their old jobs in the steel works. In explanation of the policy pursued in re-employing these men the manager stated that no discrimination had been shown against active union men. They were taken back on the same basis as those who had not been sympathetic with the strike. But some workers were not reinstated, the manager declared, because of their constant abuse of the company and their disloyalty to it. Many strikers, of course, never asked for re-employment. Refusal to re-employ, according to company officials, was based on the conduct of the individual worker during the strike and not on his affiliations with the union. The manager further stated that the officials of the company did not decide in advance which men were not to be re-engaged. He himself decided each case and took the personal responsibility for any refusal to re-engage.

Each employee was required to sign the following card:

Name in full	Number
Where employed	Date

"As an employe of the Colorado Fuel and Iron Company, I know that it is operated as an OPEN SHOP UNDER THE PLAN OF REPRESENTATION OF EMPLOYES of which I have received a copy.

“I will co-operate in maintaining the rules and agreements relating to my service and the laws of my state and country.

\_\_\_\_\_  
Witness                      Signature of employe"

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The leaders of the strike criticized the company for requiring the men to sign such a card. They contended that the management, realizing that the men had been defeated, was attempting to force the Industrial Representation Plan on them. These leaders could not, however, make their objections effective. When the men realized during the strike that the company was determined not to deal with unions nor to negotiate a trade agreement they began to lose confidence both in their leaders and in the outcome of the strike.

Developments in the nation-wide steel strike, moreover, were a strong influence in determining the attitude of the men. They had followed with keen interest the attempts made by union officials, by President Wilson and by the Interchurch World Movement to persuade the officials of the United States Steel Corporation to arbitrate the differences between the steel strikers and their employers. When the Minnequa steel workers saw that all these attempts had met with refusal and that the Colorado Fuel and Iron Company was determined not to deal with unions in their plant, their morale was weakened. Economic necessity, furthermore, made it imperative for the men to return to work. It should be remembered that the steel strike lasted about three and one-half months. With the high cost of living prevailing at the time, it is not difficult to imagine the strain under which the steel workers and their families lived. Consequently, when the strike was finally called off, the leaders did not have an effective hold on the men. No objection was voiced by the men toward signing the card which the management required when re-employing them. When we visited Pueblo again in

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1921 we found that the workers were indifferent to the card and in general thought that it was meaningless and ineffective.

### SIGNIFICANCE OF THE STRIKE

As already indicated, we found a much more favorable attitude among the representatives toward the plan in 1921 than we did in 1919. They felt that the management had displayed a much more co-operative attitude in adjusting grievances after than before the strike. But the strike has further significance. Under the Industrial Representation Plan the company accepts the standards established by competitors with regard to rates of pay and conditions of work. The strike of 1919 shows that national forces and movements in the steel industry inevitably affect not only wages, hours of work, and prices but also the attitude and behavior of the workers.



## CHAPTER IX

### TRADE AGREEMENT WITH THE RAILWAY EMPLOYEES

IN ADDITION to maintaining the Industrial Representation Plan at the Minnequa Steel Works and at its coal mines, the Colorado Fuel and Iron Company has also operated its transportation properties, since December 12, 1918, under a trade agreement which covered working relationships between the company and its railroad employees.<sup>1</sup> The agreement is similar to contracts which officials of the railroad brotherhoods negotiate for their members with transportation companies. Officially this agreement is with the Colorado and Wyoming Railway Company. This company, however, is owned by the Colorado Fuel and Iron Company and is its transportation branch. It employs about 140 men and handles freight in the yards of the Minnequa Steel Works and between certain mining properties both in Colorado and Wyoming and the Minnequa Steel Works. It is a common carrier governed by laws affecting common carriers and subject to the jurisdiction of the Interstate Commerce Commission.

#### A DEPARTURE IN LABOR POLICY

The circumstances which led to the signing of this trade agreement are significant for two reasons. First,

<sup>1</sup> For text of the agreement, see Appendix C, page 275.

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the representatives of the steel workers were present and acted as intermediaries between the railroad men and company officials. The participation of these men, as we saw in the preceding chapter,<sup>1</sup> had an important bearing on the attitude of the steel workers to the company and to the Industrial Representation Plan. Second, this agreement with the railway workers marks a new era in the history of industrial relations under the Colorado Fuel and Iron Company. Until the time that it was signed the management had persistently refused to negotiate any trade agreement with officials of labor organizations.

A short railway strike took place before the agreement was signed. It is difficult to get at the exact circumstances which led to this strike. When the management introduced the Industrial Representation Plan in the coal mines and the steel works it did not place the railway employees under its operation. Most of these men had been in railroad work for years and were members of the railroad brotherhoods. They had been accustomed to working under contracts which contained detailed rules governing wages, hours, seniority, and other conditions of work, and methods for adjusting grievances. Consequently they chafed because they did not have an agreement which outlined the conditions of their working relations with the company.

## UNADJUSTED GRIEVANCES OF RAILWAY EMPLOYEES

The situation was rendered more acute by the fact that the workers felt that the officials in charge of transportation were arbitrary. We were told that if a railroad employe took up a grievance with his immediate

<sup>1</sup> See pages 173 and 174.

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officials he would be met with brusqueness instead of consideration. Things got so bad, according to some of the employes, that they asked the superintendent for a grievance committee which would permit them to get a hearing. The superintendent, according to them, refused to grant them any machinery for meeting with the management. The men also charge that the local management ignored the principle of seniority—promotion according to length of service—a principle which railroad men generally consider very vital.

In their statements to us the superintendent and foreman, that is, the master mechanic, declared emphatically that they were always willing to give the men a hearing and that they had offered the men the Industrial Representation Plan. As for the principle of seniority, none of the superintendents or foremen believe in it. According to them a man should be promoted in accordance with his fitness. Length of service should not be a factor unless the employe oldest in service happens to be the best qualified one for the job.

Be that as it may, the railway employes thought they had genuine grievances. In addition, they wished to have machinery which would enable them to discuss with the management matters affecting working conditions. Accordingly, in the summer of 1918 they held a meeting and elected a committee to confer with the local officials with regard to securing a voice in determining wages, hours of work, seniority and other conditions of work. The committee met the managing officials but could come to no understanding with them. The men waited until the World War was practically over, and in November, 1918, called in the vice-presidents, respectively, of the Brotherhood of Railroad Trainmen and

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the Brotherhood of Locomotive Firemen and Engineers, the two labor unions to which most of the men belonged.

### MANAGEMENT OFFERS INDUSTRIAL REPRESENTATION PLAN

The employees' committee first had another meeting with the operating officials of the company. The officials offered to establish the Industrial Representation Plan. This the committee refused to accept; and in November, 1918, it met with the vice-presidents of the railroad brotherhoods already mentioned. The union officials sent the employees' committee to Denver to confer with the managing officer of the railway company. The latter tried to persuade the committee of the advantages of the representation plan. The committee again refused to accept the plan. After another meeting this railway official finally arranged for a conference between the president of the company and the two vice-presidents of the railroad brotherhoods and the employees' committee.

The president explained the advantages of the Industrial Representation Plan. He stated that it was just as good and binding as a union contract. He further objected to any "outsiders" as intermediaries between him and the employees, but he did not object to their presence at the conference. He preferred to deal with his own men, he said. The officials of the railroad brotherhoods and the committee of employees, on the other hand, submitted to the president a union contract similar to that in operation between other transportation companies and their employees.

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### WALKOUT OF THE RAILROAD MEN

No agreement having so far resulted, the railroad employes in the yards of the Minnequa Steel Works and in the other railroad centers adjacent to the coal mines of the company struck on the evening of December 9, 1918. The statements given by the vice-president of the Brotherhood of Locomotive Firemen and Enginemen, the spokesman for the employes, and that given by the president of the company are contradictory. The former charged that the company refused to negotiate a contract. President Welborn replied that at no time had he refused to negotiate one, but that certain features of the contract submitted to him by the union officials and the committee of employes were not applicable to the Colorado and Wyoming Railway Company. These features, he said, were applicable to trunk lines, but not to such small railroad systems as that operated by his company.

### EMPLOYEES' STATEMENT

The vice-president of the Brotherhood of Locomotive Firemen and Enginemen was not present in Colorado at the time of this investigation, so that we were unable to talk with him on the subject, but we quote the following statement which he gave to the press at the time of the strike:

"There is not much new in the pending strike controversy. The men employed by the Colorado and Wyoming Railroad Company are merely asking for a signed contract covering the wages and conditions under which they are working. There is no dispute over wages or other conditions of the contract. The

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company takes the position that it will not sign a contract, as it is contrary to the policy of the company to sign contracts, and I do not understand there is any difference of opinion over the provisions of the contract as submitted. Our men are asking for nothing more than what is given the employes of other roads in this section of the country. I can see no reason why they should not have the same provisions which are given other railroad employes. We will meet Mr. Welborn and talk over the contract at any time."<sup>1</sup>

### THE COMPANY'S STATEMENT

In his statement issued to the press at the same time, the president of the company reviewed briefly the first conference he had held with officials of the railroad brotherhoods. He stated that the agreement submitted to him in this conference "was not applicable to the service" on the company's road. He assured the officials that he was "willing to enter into fair agreements with" his "employes as to their working and living conditions." He declared that his "door was always open to them or their representatives for discussion of agreements or other matters of interest to them." His statement follows:

"Following earlier conferences had with other officials of the company, Mr. C. V. McLaughlin, vice-president of the Brotherhood of Locomotive Firemen and Enginemen, and Mr. G. W. Anderson, vice-president of the Brotherhood of Railway Trainmen, called on me at my office, November 25, and presented

<sup>1</sup> *The Star Journal*, Pueblo, Colorado, December 10, 1918.



## AGREEMENT WITH RAILWAY EMPLOYEES

a proposed agreement between the Colorado and Wyoming Railway and the Colorado Fuel and Iron Company, and certain employes of those companies engaged in train service at the steel works and on that branch of the Colorado and Wyoming Railway serving the iron mines in Wyoming, and the other branch of the Colorado and Wyoming Railway serving certain of the Colorado Fuel and Iron Company's mines in southern Colorado, stating that they had been requested by these employes of ours to intercede in their behalf for the signing of that agreement by us. Having previous knowledge of the contents of the proposed agreement, and realizing that certain of its features while possibly suitable to the usual trunk line railroads, were not applicable to the service on our road, a large part of which is performed by narrow gauge and so-called dinkey engines, I advised that I was unable to execute the document as submitted, but stated at the outset of the conference, and frequently thereafter, that we were quite willing to enter into fair agreements with our employes as to their working and living conditions, and that my door was always open to them or their representatives, for discussion of agreements or other matters of interest to them."<sup>1</sup>

The president further described the effort to arrange another conference. He arrived in Pueblo with the intention of meeting the representatives of the railroad employes. Instead, he was handed a letter signed by the officials of the brotherhoods. This communication informed him that unless he signed the contract sub-

<sup>1</sup> Ibid.

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mitted to him, the railroad employees would strike on the same evening. The statement continues:

"Messrs. McLaughlin and Anderson advised that they would report back to the employes, and since that time I have held myself in readiness for further conferences on the subject if the employes desired. Nothing further was heard of the matter until Friday, the sixth inst., when Mr. McLaughlin by 'phone requested of me a conference with himself, Mr. Anderson and two of our employes, for Monday forenoon, the ninth. I replied that I would be glad to see them at that time, but later, being reminded of a conference that had been previously set for this afternoon at 2 o'clock at Pueblo, I 'phoned Mr. Anderson asking that the meeting be deferred or held at Pueblo. Mr. Anderson replied that they preferred Pueblo for the meeting, and asked for as early an hour in the day as possible. I promised to advise him the time the conference could be held after my arrival in Pueblo. On reaching Pueblo at 2 o'clock, this afternoon, I was handed a communication signed by Messrs. McLaughlin and Anderson, reading as follows:

'Dear Sir:

'At conference with you in your office in Denver, Colo., on November 25, at which time you advised that you could not sign the proposed contract submitted to your company by the men employed in engine, train, and yard service, and as you were advised at that time, we have submitted the question of your refusal to sign the proposed contract to these men, and they have by approximately a 98 per cent vote refused to accept your decision.

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'And this is to advise that unless you recede from your position and sign the proposed contract, the men in engine, train, and yard service will leave the service of your company at 6 p.m., December 9, 1918.

'You can reach the undersigned at the Congress Hotel, Pueblo, Colo.

'Yours truly,

(signed) C. V. McLaughlin,

Vice President B. of L. F. and E.

(signed) G. W. Anderson,

Vice President B. of R. T.' ”<sup>1</sup>

To this communication President Welborn replied with an invitation to the brotherhood officials to meet him at four o'clock in the afternoon:

“Pueblo, Colo., Dec. 9, 1918.

“Mr. C. V. McLaughlin, Vice President, B. of L. F. and E.

“Mr. G. W. Anderson, Vice President, B. of R. T.

“Gentlemen:

“On my arrival from Denver at 2 o'clock this afternoon, I was handed your communication of even date addressed to me as president of the Colorado & Wyoming Railroad Company and the Colorado Fuel and Iron Company, in which you state that unless I recede from my position taken at Denver, on the 25th of November, and sign the proposed contract, submitted to me on that date, that the men in the engine, train and yard service will leave the service of these companies at 6 o'clock this evening.

“As I stated to you at Denver, at our conference, the companies which I represent are unable to sign

<sup>1</sup> Ibid.

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the agreement which you submitted; but that on the other hand, we were ready and anxious to enter into negotiations with our employes, relative to any matter of mutual interest.

"To the end that an agreement which will be mutually satisfactory may be adopted, if possible, I hereby invite you and those representatives of our employes, whose names are subscribed to the letter submitted to me with the agreement above mentioned, to meet with me and such other officials of the company as are available, at the company's office, at the Minnequa Plant, at 4 o'clock this afternoon, or at such other hour as shall be mutually convenient.

"Very truly yours,

"J. F. Welborn."

"In response to my letter and telephone conversation Messrs. Anderson and McLaughlin, together with four employes of the Colorado & Wyoming Railway met myself and other officials at our steel works office at 4 o'clock. Messrs. McLaughlin and Anderson reiterated the statement contained in their letter, and advised that the only modification they would consider making in the proposed agreement was a provision incorporated therein for payment of time and a half for overtime above eight hours, and that they would waive this until this question, which is under consideration by other railroads, had been settled. I advised them that so far as that provision was concerned, we were quite willing to assent to it, regardless of the action of the other roads, as it was our desire to give our railroad employes the best consideration possible in the matter of wages. I

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stated further that many of the provisions in the proposed agreement were already enjoyed by our employes, and that we in no sense objected to covering them by a written agreement, and thought in the main, the other conditions, without radical change, could be so modified as to meet our views and still be fair to our employes, at the same time requesting that we would proceed to a discussion of the paper section by section for the purpose of trying to harmonize our views. This request was met with a refusal, and the statement that it was too late to consider any modifications other than the one they had suggested, which, as indicated above, was not objectionable to us.

"I called attention to the unfairness of this attitude, and the fact that were their efforts successful, they would be throwing out of employment not only about 140 men in the train service, but five or six thousand steel works employes, and asked and urged that instead of calling out the men at 6 o'clock, we continue our conference until we could reach an agreement, suggesting either tomorrow, Tuesday morning at 10 o'clock, or a continuance this evening without interruption. This and other similar requests met with the same refusal on the part of the representatives of the labor organizations named, and with the statement that they would in no way try to prevent the men leaving the service pending possible further negotiations, they left the conference at 6 o'clock."<sup>1</sup>

Representative railroad employes whom we interviewed felt that the president of the Colorado Fuel and

<sup>1</sup> Ibid.

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Iron Company had not shown any disposition to begin negotiations and that they considered the strike necessary in order to force the issue. The strike, as noted, lasted only a little over a day. The agreement was finally modified and adopted in a conference between the committee of employes and the brotherhood officials and the president and other officials of the company.

### REPRESENTATIVES OF STEEL WORKERS AS INTERMEDIARIES

An interesting feature leading to the end of the strike, however, is the fact that the representatives of the steel works employes, elected under the Industrial Representation Plan, acted as intermediaries between the striking railroad employes and the management. Indeed, the active union men among the employes' representatives were the real mediators between the strikers and the company.

A description of this incident was given us by several employes' representatives. Their story in substance was as follows: The morning after the strike of the railroad employes the president of the company called a meeting of the employes' representatives of the steel works and outlined the facts to them as given in the statement already quoted. He assured the representatives present that he was willing to negotiate a contract. He was anxious, moreover, to protect the 6,000 employes working in the steel works who would have to be idle unless the strike of the trainmen could be ended.

One of the representatives then expressed the opinion that the employes' representatives, in order to be able to take intelligent action, ought to hear also the



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version of the striking railroad men. The president replied that this was entirely satisfactory to him. Stating that they were subject to call, the company officials withdrew.

One of the representatives took charge of the meeting. Another representative invited the officials of the railroad brotherhoods and the strikers' committee by telephone to join the conference. The railway men refused to come because they did not consider as neutral ground the superintendent's clubhouse, where the representatives were meeting. A committee of five was then appointed from the representatives of the steel workers to confer with the committee of the railroad men at the hotel, where the latter had established their headquarters.

The spokesman of the steel workers' representatives asked the railroad men to give his committee their version of the events which led to the strike and the circumstances under which the agreement had failed to be signed. Their story was that for several months they had asked repeatedly for machinery which would enable them to present their grievances and that their request had not been given consideration. Therefore, they had appealed to the brotherhood officials. These officials had drawn up the contract in question and had offered to negotiate with the president of the company. The latter had refused to do this and had offered instead the Industrial Representation Plan.

The brotherhood official, who acted as spokesman for the railroad committee, requested the visiting committee of steel workers to see the president of the company and ask him either to negotiate on the basis of the contract which the employees had presented, or to sub-

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mit one of his own for discussion. The railroad men said they would be very glad to negotiate. "If the president will only name the time and place," they declared, "we will meet him very soon."

The committee of the steel workers' representatives reported to the president what the committee of railway men had said to them. The president immediately named five o'clock that same afternoon as the time, and the superintendent's clubhouse as the place for the conference.

## NEGOTIATION OF THE AGREEMENT

At five o'clock the strikers' committee appeared under the leadership of the vice-president of the Brotherhood of Railroad Trainmen. The contract prepared by the railroad employes was then taken up by both sides and discussed article by article. After several hours of negotiation an agreement was reached. Some difficulty arose, according to representatives who were present, when the time arrived to sign the contract. The president of the company objected when the officials of the brotherhood wished to sign their names. These officials then conferred with the strikers' committee. The latter threatened to stay out indefinitely unless the brotherhood officials were permitted to sign the agreement.

The agreement was finally signed in the evening, December 11, 1918, by a committee of six who represented the railroad employes and signed as "approved" by the vice-presidents, respectively, of the Brotherhood of Locomotive Firemen and Enginemen and the Brotherhood of Railroad Trainmen. The men returned to work that evening and the following morning. This contract was in operation at the time of this in-

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vestigation. It is, in effect, a permanent contract; but either side may give the other thirty days' notice of any changes desired. The agreement covers six pages of single-spaced typing. It defines in detail rates of pay, hours of work, overtime regulations, conditions under which grievances should be heard, and safeguards men against arbitrary discharge by foremen and superintendent.

### ATTITUDE OF RAILWAY EMPLOYEES TOWARD AGREEMENT

The railroad men told us that they prefer a contract of this kind to the Industrial Representation Plan because it is definite, as contrasted with the vague guaranties given employees under the representation plan that conditions shall be the same as those obtaining in competitive companies. The agreement did not change wages except in one instance, nor hours of work, but it did give the men a definite statement of the conditions under which they would be required to work.

In one respect, however, the contract established a condition, according to the men, which had not existed before. It defined in great detail the manner in which the principle of seniority should be applied. Indeed, three articles with 15 sections are devoted to the definition of the conditions under which the railroad employees shall be promoted.

In addition, the contract affords the men a quick and effective machinery for presenting complaints. Their representatives who handle grievances under this contract, the men told us, not only represent the local employees of the company, but have the power and

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prestige resulting from affiliation with two railroad brotherhoods having thousands of members throughout the country. They felt that this affiliation put "punch" into their negotiations with company officials.

At the time of our field study in 1919 the contract had been in operation more than a year. The representatives of the railroad employes were elected in local lodges of the respective railroad brotherhoods. We interviewed some of these leaders. In general they were satisfied with the present contract. Some difficulty was still pending about the interpretation of "seniority." This difficulty was in connection with three engineers who had remained at work during the time of the strike. According to the contract their jobs should have been "bulletined" for "bids" by the men oldest in service, just as all the others were; or, in other words, the jobs should have gone to the oldest qualified employes. The company officials, however, took the position when the agreement was being discussed that the three men should remain on their jobs and a verbal understanding to that effect had been reached. The management therefore refused to throw these positions open for applications by men who had been longest in service of the company.

The railroad men generally expressed satisfaction with the agreement. One of the leading union officials of the railroad employes in Pueblo told us that the railroad men would never be satisfied with the Industrial Representation Plan. They would never consent to have it. In the annual elections held in January, 1919, for representatives under the plan in the steel works, the management gave the railroad employes an opportunity to vote for representatives. A new division

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(Number 11) was created, to represent the transportation men. The men, however, fearing that the management might displace the union contract with the Industrial Representation Plan, refused to participate in the election.

### EFFECT OF AGREEMENT ON STEEL WORKERS

The strike of the railroad employes with the signing of the railway contract is told here primarily because it marks a new departure in the labor policy of the company—a willingness to negotiate a trade agreement with union officials. Its influence on the representatives of the steel workers, especially those who were union sympathizers, has already been related. It was at the time of the railway strike, as we have seen, that the campaign to organize iron and steel workers was being launched. The union leaders of the Minnequa steel workers were studying the strategy of the railroad brotherhoods. In their opinion the weapon that forced the management to sign the trade agreement with the railway men was the fact that the railroad employes, although small in number, could paralyze the entire steel works.<sup>1</sup> They reasoned, therefore, that if the

<sup>1</sup> With regard to this conclusion, company officials in 1924 wrote as follows:

"The fact that a small number of railroad employes could temporarily suspend our operations at the Steel Plant was not the controlling factor in bringing about the execution of the contract. The action of the railroad strike committee was so arbitrary, particularly in its refusal to negotiate anything prior to the time set for the strike, that after the strike became effective apparently the only means by which negotiation could be brought about was through the influence of the representatives of the Steel workers. When this latter body was called into meeting and the attitude of the railroad strike leaders explained to them, I said that but for consideration of the Steel Works employes, we would do nothing at that time, having apparently exhausted every effort to secure from the opposing element any

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

steel workers should walk out in large numbers and close the plant, the company would follow the same procedure and sign a union contract with the steel workers just as it had with the railroad employes. It has been shown that they were mistaken.

consideration whatever of our views with respect to certain features of the proposed contract, which while applicable to standard railroads would not be suitable to our conditions. The position of the railroad union officers left but one alternative to our refusal to sign the contract, and that was to sign what they had prepared and which, as previously indicated, in some particulars failed to fit our situation."



## CHAPTER X

### ACCOMPLISHMENTS AND LIMITATIONS OF EMPLOYEES' REPRESENTATION

INTRODUCED in May, 1916, the Industrial Representation Plan operating in the Minnequa Steel Works of the Colorado Fuel and Iron Company had had a comparatively short history by 1921 when the field work for this study was completed. What have been the accomplishments of the plan and what its shortcomings?

#### OBJECTIVES OF COMPANY OFFICIALS

The Industrial Representation Plan was established in the Minnequa Steel Works shortly after a similar plan had been put into operation in the coal mines of the Colorado Fuel and Iron Company. But there was a great contrast in the conditions that confronted the plan in these two branches of the company. In the coal mines one of the longest and most virulent strikes in the history of the country had preceded its introduction. Both stockholders and company officials consequently knew that dissatisfaction existed with past methods of dealing with the workers. In the steel works the situation was entirely different. No strike of all the workers had ever occurred. If the workers were discontented they had not made their grievances known to the management. It seems, therefore, that the plan was introduced into the steel works mainly in order to extend to other properties of the company the

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

form of employees' representation which had been initiated in the coal mines in the winter of 1915.

From the address made by the president of the company in January, 1916, when he proposed the plan to the employees' representatives, and from our interviews, we gathered that by means of the plan the management hoped to establish better personal contacts than had existed before between the steel workers and the officials of the company. It was made clear to us that this objective did not constitute a criticism of past relations between these groups, but rather that the company hoped to establish by means of the plan a formal method of bringing officials and employes together on matters of "mutual interest." The philosophy behind the plan, as stated both by company officials and leading stockholders, was that the interests of employers and employes are identical, and that the chief problem in industry was to restore those personal relations which existed when industry was conducted on a small scale. In modern large-scale industry it was obviously impossible for the employer to know individually each of the thousands of men who work for him. The way out, according to company officials, was to permit employes to elect representatives who would meet periodically with managerial officials to discuss and adjust problems which arise in their mutual relationships.

### NATURE OF REPRESENTATION GRANTED BY PLAN

The written plan provided for the annual election of employees' representatives from fellow-workers employed in the steel works. The president of the company administered the plan. Four joint committees were set up, each one to discuss a variety of subjects.

## ACCOMPLISHMENTS AND LIMITATIONS OF THE PLAN

Each committee, consisting of six representatives elected by the men from their own number and six company officials appointed by the president of the company, was equally representative of the company and the employes. In addition, the plan provided for quarterly conferences and an annual conference at which all employes' representatives were to be present, together with an equal number of company officials appointed by the president of the company. A procedure was provided for the adjustment of grievances. An employe having a grievance could himself or through his representative appeal successively from his immediate foreman to the superintendent, manager, general manager, and the president of the company; or the grievance could be referred to the Joint Committee on Industrial Co-operation and Conciliation. A majority vote of this committee was to be final and binding. If not referred to this committee, or if the committee was equally divided in its vote, the grievance could be referred to the State Industrial Commission of Colorado or to an arbitration board appointed jointly by the company officials and the employes' representatives.

A memorandum of agreement accompanied the plan. Among other things this agreement provided that with regard to wages, hours of work, and other conditions of employment the Colorado Fuel and Iron Company would follow the standards established by its competitors. If these competitors announced an increase or decrease of wages, or any other important change in working conditions, the management of the Colorado Fuel and Iron Company was to call a meeting of all employes' representatives to agree upon the method of introducing a similar change in the Minnequa Steel Works.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

The Industrial Representation Plan as written guaranteed the workers essentially three things:

- (1) An opportunity through their representatives to discuss with managerial officials in meetings of joint committees and in quarterly and annual conferences a large number of subjects usually arising in the relationships of workers and employers. But according to the written plan no final decisions could be made in any of these meetings. Suggestions and recommendations only could be made to the president of the company.
- (2) A formal method of taking up grievances.
- (3) The acceptance of competitors' standards as those to be followed by the Colorado Fuel and Iron Company in determining wages, hours of work, and other conditions of employment. That is, the company agreed that hours of work should at no time be less favorable than the hours of work in similar operations of its competitors, and that a similarity of wage rates with competing companies should be maintained.

The written plan did not give the workers a voice in management nor did it impose upon company officials the necessity of consulting the workers on any changes affecting the interest of employees except when such changes were to be made following the introduction of new wage rates or working conditions by the competitors of the company. In actual practice, however, the workers, as we have seen, did develop initiative and secured the introduction of such an important change in the Minnequa Steel Works as the eight-hour day.

## NEW POLICY OF HUMAN RELATIONS IN THE STEEL INDUSTRY

In introducing the Industrial Representation Plan in the Minnequa Steel Works the Colorado Fuel and Iron Company, although manufacturing only 2 per cent of the total output of steel, embarked upon a new policy of human relations in the steel industry. For in this industry the United States Steel Corporation is the leading producer, and by virtue of the fact that it commands a national market, it establishes basic standards not only for the selling price of steel but also for wage rates, hours of work, and other conditions of employment. This corporation, as has been frequently shown, has not developed any policy of dealing with workers as a collective group, nor has it established an organized method of consulting even individual workmen when formulating policies to govern human relations.<sup>1</sup> These policies are decided upon by the Board of Direc-

<sup>1</sup> See Chapter II, Steel Making and Human Relations, page 45, for a fuller discussion of this subject. A particular instance illustrating the method of determining important standards of human relations, without conference with any representatives of the wage-earners, in the United States Steel Corporation is found in the *New York Times* for April 10, 1923. "Radio Sent by Gary Puts Up Steel Wage," ran the headline of an article announcing a wage increase of 11 per cent to 150,000 employes of the United States Steel Corporation. The story went on to say that Mr. Gary was on the high seas, returning from a Mediterranean trip, and was not expected to arrive in New York until April 13, three days subsequent to the announcement. But, according to the *Times*, he instructed James A. Farrell, president of the company, by wireless to give out the following on his behalf:

"It has been recommended to the presidents of the manufacturing subsidiary companies of the United States Steel Corporation that the wage rate of day labor at their plants be increased about 11 per cent and that other wage rates in the manufacturing plants be equitably adjusted, to become effective April 16."

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

tors of which Mr. Gary is chairman; and are announced by him as recommendations to the subsidiary companies.<sup>1</sup>

The economic conditions which make possible this method of formulating labor policies have already been discussed. The very nature of the steel industry makes the workmen a secondary factor. The technical processes of steel making involve the handling of huge

<sup>1</sup> According to Mr. Gary the finance committee—a standing committee consisting of seven of the 15 directors of the corporation with Mr. Gary as chairman—has been the governing body of the corporation. Mr. Gary's testimony before the senate committee when describing the administrative machinery of the corporation follows:

Mr. Gary. I am the chairman of the board of directors, chairman of the finance committee, and chief executive officer of the United States Steel Corporation in general charge of its affairs. Our corporation has 15 directors; seven of them compose the finance committee. The board of directors meets monthly; the finance committee weekly, and sometimes between those periods; consequently the finance committee is really the dominating factor in the corporation.

Senator Phipps. Is it in effect an executive committee or have you a separate executive committee?

\* \* \*

Mr. Gary. No; it is in effect what you might call an executive committee. When the board of directors is not in session the finance committee has all the powers of the board.

\* \* \*

Mr. Gary. I will just state that in a moment. When the finance committee is not in session, then the chairman of the board of directors and the chairman of the finance committee has the power of the finance committee.

\* \* \*

The finance committee is in very close contact and actively interested in the affairs, policies and management of the corporation and its subsidiary companies. The policies of the corporation are announced by the chairman, who, of course, is active in the finance committee meetings.

Investigation of Strike in Steel Industries. Hearing before the Committee on Education and Labor, United States Senate, 66th Congress, pursuant to Senate Resolution No. 202, on the Resolution of the Senate to Investigate the Strike in Steel Industries, Washington, Government, 1919. p. 146.



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quantities of metal in both solid and molten condition, and therefore require the use of gigantic machinery. With few exceptions, craftsmen have really never had any place in the steel and iron industry as it is known today, for the invention of the Bessemer and the open-hearth processes of manufacturing steel have made the machine of primary importance and the workmen of quite secondary importance. The machinery is so complete in itself that the great majority of the workmen are recruited from unskilled groups.

### INITIATIVE OF THE WORKERS

What have the workers done with employes' representation in the Minnequa Steel Works, a small segment of an industry one of whose chief characteristics is the entire absence of any organized method of consulting its workers? The history of the Industrial Representation Plan covered in this study should really be divided into two periods; the first extending from May, 1916, until September, 1919, when the steel strike in the works began; the second beginning after the steel strike and extending through 1920 and 1921.<sup>1</sup> The plan was no sooner introduced than the employes' representatives began to voice their problems to the company officials in joint conferences and in meetings of joint committees. During the first year of the plan, for instance, they expressed a desire for the eight-hour day instead of the twelve-hour day which then prevailed. They also challenged several acts of foremen in suspending or discharging employes. In 1918 they secured the actual, instead of the basic, eight-hour day.

<sup>1</sup> For a discussion of the steel strike see Chapter VIII, *Strike of the Minnequa Steel Workers*, page 165.

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But during this period the rank and file who were not employees' representatives lacked confidence in the plan and hesitated to use it.' During the second period they used it much more freely to present their needs to the management and to secure changes which they felt important for their welfare as employees in the Minnequa Steel Works. In 1920 they were instrumental in having a joint wage committee appointed to investigate rates paid by competitors in eastern mills, and on the basis of this investigation to revise the rates paid in the Minnequa Steel Works. In this year also they secured a ruling that when an employee had been unjustly suspended or discharged, he should upon reinstatement be reimbursed for the time which he had lost. During this year, too, the employees' representatives took up vigorously with the management such important problems as improving safety work, lowering prices to employees in the company store, and making more adequate and efficient the medical service in the plant dispensary and in the hospital. Moreover, although the written plan did not confer any such right or power on them, the employees' representatives began by 1920 to expect and demand consultation in all important changes which the management contemplated in working conditions; and such changes which did not meet with their approval were sharply challenged.

### THE ACTUAL EIGHT-HOUR DAY

First and foremost among the accomplishments made possible by the plan should be mentioned the introduction of the actual eight-hour day in the winter of 1918. When one considers that the prevailing working day in the essential processes of the industry was at

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the time, and for almost five years afterwards, twelve hours, the introduction of the actual eight-hour day throughout the Minnequa Steel Works was an achievement of first importance. When the United States Steel Corporation announced in 1918 the establishment of the basic eight-hour day, the company, after a first-hand investigation in eastern plants, proposed a similar arrangement in the Minnequa Steel Works. That is, while the men would work more than eight hours, they would be paid on the basis of an eight-hour day and time and a half for all time worked over eight hours. But while in the plants of the United States Steel Corporation the basic eight-hour day was established as a recommendation from the chairman of the board of directors without soliciting the views of the employes, in the Minnequa Steel Works it was necessary first to consult the employes' representatives regarding the method of introducing the change. The management, consequently, took the proposition up with representatives of the various divisions. When the representatives of the mechanical department were called in they declared that they desired a real eight-hour day, rather than a basic eight-hour day. The management stated that it was willing to introduce in this department an actual eight-hour day. It was then that the representatives from all other divisions of the plant asked for a similar arrangement, and accordingly the actual instead of the basic eight-hour day was adopted throughout the Minnequa Steel Works. Thus it was the machinery provided by the Industrial Representation Plan that for the first time in the United States enabled the employes of a large steel works to negotiate collectively with their employes on the very controversial question

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of the length of the working day, and to secure the actual eight-hour day in all departments of the plant.

### PARTICIPATION OF WORKERS IN REVISING WAGE RATES

Another outstanding result of the Industrial Representation Plan was the adjustment of wages by the joint committee of management and employees in the beginning of 1920. In an industry in which the wage standards of its great, dominant corporation are determined by a board of directors, the appointment of a joint committee of workers and management to investigate and decide on rates of pay for jobs throughout a steel plant marks a long step in advance. This committee, it will be recalled, made a special trip to a number of steel plants in the eastern part of the country. There they investigated rates paid for various jobs. With this information they returned to Pueblo, went over all the wage schedules, and readjusted them so that rates paid by the Colorado Fuel and Iron Company should be similar to those paid by competitors in accordance with the Industrial Representation Plan.<sup>1</sup> Thus again, by utilizing the machinery of the Industrial Representation Plan, the workers participated in determining wage standards.

### GREATER SECURITY IN EMPLOYMENT

A third achievement may be attributed to the effect of the Industrial Representation Plan. It relates to the security of the workers in their jobs. From our inter-

<sup>1</sup> Subsequent to our investigation two other joint committees were appointed to investigate wages in eastern steel mills. See footnote, page 97.

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views with the workers, as well as with superintendents and foremen, we are convinced that with the introduction and growth of the plan, foremen and superintendents became less arbitrary. The men felt that after the plan was introduced they could secure a hearing. Especially did they feel, as time went on, that the higher executives of the company were always willing to listen to grievances and to make fair adjustments.

Moreover, the significance to the workers of opportunity to take up grievances in the formal method established under the plan should not be minimized. Many complaints which had formerly never been brought to the attention of the management were taken up and satisfactorily adjusted. This was particularly true of the period following the steel strike of 1919. Among these were grievances relating to the claim of some workers to receive the same rates of pay as were given others doing similar work; requests for promotion when new and better jobs happened to be available; appeals to reverse suspensions and discharges which in the eyes of the workers had been unfairly made by foremen or superintendents.

In this connection it should again be pointed out that the attitude of the workers was different during the period prior to the strike of 1919 from what it was after the strike. During the first period they did not use the plan extensively because they felt that in general foremen and superintendents were opposed to it. Employes and representatives both were reluctant to take up grievances, we were informed, because to do so meant antagonizing and even incurring the enmity of the subordinate officials in immediate charge of their work. But after the strike of 1919, superintendents and

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foremen, we were told, began to display a more co-operative attitude and consequently grievances were taken up more readily.'

### ATTITUDE OF SUBORDINATE OFFICIALS

In explaining the lack of co-operation shown by foremen and superintendents in the early years of the plan, it should be remembered that the plan demanded a new attitude toward employes on the part of foremen and superintendents; and to develop new attitudes takes time. Until this plan was introduced foremen and superintendents had supreme power within their jurisdiction. True, an employe, if he wished to, could go over the head of his immediate executive to the higher officials of the company; but from our talks with workers we are convinced that very few, if any, ever did this prior to May, 1916. Then a plan was established which suddenly made it mandatory upon foremen and superintendents to discuss with employes differences of opinion on promotions, on rates of pay, and on all the other questions involved in employe relations and expected them to be open-minded enough to reverse themselves if proved to be wrong by the workmen involved. This was a large order to expect from men who for years had enjoyed a free hand in their departments. Naturally, foremen and superintendents did not take kindly to the efforts of the representatives to discuss grievances, a procedure which challenged the powers of these officials. Indeed, it was not until 1920, four years after the plan had been introduced, that some of the foremen and superintendents began to show a co-operative attitude; and even as late as 1921, representatives felt that those who co-operated with them were



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exceptions and that as a rule these officials were still  
opposed to the plan.

#### FAILURE TO APPLY PRINCIPLE OF SENIORITY

In addition to complaining about the lack of co-operative spirit among foremen and superintendents, other major criticisms were voiced by employes' representatives in 1921. First, they criticized the management for not adopting the policy of promoting employes according to seniority. They felt that the employe oldest in service should be given a chance to make good at a better job when an opening occurred. It was a mistaken policy, they contended, for the management to wait until an employe presented as a grievance the fact that he was not promoted. A great deal of ill feeling on the part of employes would be obviated, said the representatives, if they knew that seniority in promotion as here defined was an accepted policy to be applied throughout the steel works.<sup>1</sup>

#### WORKERS NOT ALWAYS CONSULTED ON IMPORTANT POLICIES

In the second place, the representatives pointed out that in the administration of the plan the management had not adopted an invariable policy of always consulting the employes' representatives concerning changes which would affect the workers. The instance of changing the beginning of the first or the day shift in January, 1921, is an illustration. As already described, the management thought it best for operating reasons to begin the first

<sup>1</sup> The question of the desirability of a personnel department in the Minnequa Steel Works has already been discussed. See pages 123, 124 and 128.

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shift an hour later, starting at eight instead of at seven o'clock. Now this was a matter which affected the welfare and comfort of the workers, not only on the first shift but on the second shift. It involved the rearrangement of home life, such as the hours of eating meals and the difficulties of car connections at night. But the management did not consult the representatives in all departments before making the change, as it had done in 1918 when it considered introducing the basic eight-hour day. As we saw, the men strenuously objected to the change in the working time, and the management finally accepted their view and went back to seven o'clock as the time of beginning work. Employees' representatives realized, of course, that by expressing their wishes to the company they secured their objective in this instance. They pointed out, however, that such matters as this should not have to be dealt with as grievances, but that the management should establish a settled policy of consulting the representatives before making changes which affect working conditions.

Strictly speaking, this was not a violation of the Industrial Representation Plan. As already stated, the written plan does not make it mandatory upon company officials to consult employees' representatives concerning all proposed changes in labor policies. The workers must be consulted only when changes in wages, hours of work, or other conditions of employment are to be made after new policies have been put into effect by the competitors of the company. It is significant, therefore, that once having been granted representation, the employees of the Minnequa Steel Works desired a voice in all decisions affecting conditions of work.

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### LIMITATIONS OF REPRESENTATION CONFINED TO A SINGLE COMPANY

Is a company obliged to pay the same wages as its competitors? If it accepts its competitors' rates, can a plan providing for employes' representation and limited to a single company protect the workers as effectively as a trade union which seeks to make agreements with all competing companies? Does a form of representation so limited in scope give the workers any voice in settling standards of wages and hours which are said to be settled by competition?

These questions lie at the root of the problems involved in the Industrial Representation Plan. They were the basis, for instance, for comments by the workers regarding the methods of fixing wages. The Industrial Representation Plan includes an agreement that the company will pay the same rates of wages as its competitors. In practice this means that the Colorado Fuel and Iron Company proposes to follow rates established from time to time by the Steel Corporation.

The first objection to this method is the difficulty of applying it. Comparing jobs in the Minnequa Steel Works with those performed in other plants is likely to be guess work, since in different plants the same name is often given to jobs of different kinds. Again, there is no provision for keeping the employes informed as to changes of rates in competitive plants. In 1920 a joint committee was appointed to investigate competitive rates, but no machinery was established to do this continuously.<sup>1</sup>

<sup>1</sup> Since our investigation and conference with company officials the management has appointed other joint wage committees to make first-hand investigations of rates of pay in eastern steel mills. In

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The employees' representatives also felt that even if a permanent joint committee were appointed to investigate and readjust rates so that those paid in the Minnequa Steel Works would always be similar to those prevailing in competitive plants, a fundamental criticism of the method of determining wages under the Industrial Representation Plan would still remain. For so long as the Colorado Fuel and Iron Company feels obliged to adopt basic wage standards set by the Steel Corporation, committees of employes of the company can have no part in planning wage scales. Moreover, steel workers have no voice in the establishment of these basic standards since the Steel Corporation does not consult representatives of wage-earners when it proposes to change wage rates. Increases or decreases are made solely by the executive board of the corporation and announced through its chairman.<sup>1</sup> To this lack of representation of the workers the employes in the steel works in Pueblo attribute a scale of wages which has caused considerable discontent.

We interviewed many steel workers in Pueblo during the winter of 1919 when the steel strike was in progress. One year prior to the strike the Colorado Fuel and Iron Company, following an increase granted by the Steel

addition, the Joint Committee on Industrial Co-operation and Conciliation has been given jurisdiction over questions relating to wages. See p. 109.

<sup>1</sup> The United States Steel Corporation has never made public the standards used in determining whether wages should be increased or decreased. Are living costs, with additions for the experiences and skill of certain groups of workers, used as guiding principles in determining wage rates? From observation it would seem that the corporation merely follows the so-called law of "supply and demand." It pays rates which in a market of free competition will attract men to work on its properties. When labor is scarce it has increased rates and in periods of depression it has decreased them.

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Corporation, had paid 46 cents an hour for unskilled labor.<sup>1</sup> When they worked eight hours a day at this rate, a large number of the men in the Minnequa Steel Works had earned \$3.68 a day.<sup>2</sup> The employees' representatives and other steel workers again and again stated that with living costs as high as they had been in 1919 this daily wage had been entirely inadequate. The fact that under the Industrial Representation Plan wages had been so low when compared with living costs, was used persistently by the strike leaders in Pueblo as an argument to convince the Minnequa steel workers that they should join in striking with steel workers throughout the country. They pointed out that in such a vital matter as an adequate living wage the welfare of the Minnequa workers was closely bound up with the welfare of the steel workers throughout the industry.

Progressive industrial managers have shown that it is not necessary for a plant to adopt with absolute uniformity the scale of wages paid by its competitors, since the cost of production, which is the important point to an employing corporation, varies with local conditions. A company must keep its cost of production as low as that of its competitors; it may, however, because of more efficient organization or of lower freight rates or of ability to get its raw materials more easily and cheaply, be able to pay higher wages than its competitors without exceeding the competitive selling price. It is doubtful, therefore, whether the Colorado Fuel and Iron Company must always follow the Steel Corporation in fixing its wage rates. The company itself, when

<sup>1</sup> See page 84.

<sup>2</sup> President Welborn in 1924 estimated that only 30 per cent of the employees had received this minimum wage.

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it adopted the actual eight-hour day in 1918, proved that it was not compelled to follow blindly standards set by its competitors.

But competition for customers is without doubt a strong influence in determining wage scales. Therefore it is probably a truism of industrial management, but one which is not generally recognized in discussing collective bargaining, that the unit of organization of the workers must extend over all plants which compete in the same market if the workers are to have the actual voice in determining wages which the theory of employees' representation proposes.

It is indeed this argument which must be singled out as the most potent one in persuading the men in the Minnequa plant to strike in 1919. For before the strike they had already enjoyed the eight-hour day as well as several other conditions which the men in the rest of the industry so badly wanted. Yet when the strike call was issued to the steel workers of the country in September, 1919, the men employed by the Colorado Fuel and Iron Company, with very few exceptions, walked out. This extraordinary response was due to a desire to help build an organization powerful enough to demand industrial citizenship for the workers throughout the industry and thus to guarantee them a voice in determining what the basic standards of pay and work should be.

## SUMMARY

At present, then, the scope of the Industrial Representation Plan is seriously limited. It is true that in an industry so devoid of any tradition concerning representation of the workers as the steel industry is, the Industrial Representation Plan marks a distinct step in ad-



## ACCOMPLISHMENTS AND LIMITATIONS OF THE PLAN

vance toward recognizing the workers' aspirations; for under the plan the men of the Minnequa Steel Works secured such important gains as the actual eight-hour day, an opportunity to participate in revising wage scales, a method of presenting and discussing grievances, and a greater degree of security in their jobs through enjoying the right to appeal to higher officials against the decisions of foremen and superintendents. When one looks at these accomplishments and then considers the methods of the United States Steel Corporation, one must conclude that at least in one small segment of the industry the wage-earners have been afforded an opportunity to have a voice in determining conditions under which they must work. Nevertheless, until the men throughout the industry as a whole secure adequate and effective representation in determining wage standards, those employed in any one plant, such as the Minnequa Steel Works, are bound to be dissatisfied. Every week the Minnequa workers are reminded by their pay envelopes that the scope of their representation does not give them an effective share in determining their own earnings and none whatever in determining those of their fellow-workers in the steel industry at large.



## APPENDICES



# APPENDIX A

## PLAN OF REPRESENTATION OF EMPLOYES OF THE COLORADO FUEL AND IRON COMPANY

### IN THE COMPANY'S MINNEQUA STEEL WORKS

#### PART I

#### REPRESENTATION OF EMPLOYES

#### 1. DIVISIONS

For the purposes of this Plan, the Works shall be divided into eleven<sup>1</sup> divisions, as follows:

DIVISION	SUBDIVISION
First.....	Blast Furnace Department
Second.....	{ Open Hearth Department Bessemer Department
Third.....	Rail Mill
Fourth.....	{ 12-inch Mill 20-inch Mill Bolt Mill Spike Mill
Fifth.....	{ 40-inch Mill 14-inch Mill 10-inch Mill Rod Mill East Mill Boilers
Sixth.....	Wire Mill

<sup>1</sup>[The steel works was originally divided into nine divisions; the tenth and eleventh divisions were added in 1919. B. M. S.]

## EMPLOYES' REPRESENTATION IN STEEL WORKS

DIVISION	SUBDIVISION
Seventh.....	<div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 10px;">{</div> <div> Shops Department  Casting Foundry  Pipe Foundry  Roll Shop  Electric Shop  Scale Shop  Masons  C. &amp; W. Railway Shop and Car Men </div> </div>
Eighth.....	By-product Coke Plant
Ninth.....	<div style="display: flex; align-items: center;"> <div style="font-size: 3em; margin-right: 10px;">{</div> <div> Yard  Stables  Locomotive Cranes  Storehouse  C. &amp; W. Railway Track Men  General </div> </div>
Tenth.....	Lime and Calcite Quarries
Eleventh.....	C. & W. Transportation Men

### 2. ANNUAL ELECTION OF EMPLOYES' REPRESENTATIVES

Employees in each division of the Minnequa Works shall annually elect from among their number representatives to act on their behalf with respect to matters pertaining to their employment, working and living conditions, the adjustment of differences, and such other matters of mutual concern and interest as relations within the industry may determine.

### 3. TIME, PLACE, AND METHOD OF CALLING ANNUAL ELECTION OF REPRESENTATIVES, AND PERSONS ENTITLED TO PARTICIPATE

The annual election of representatives shall be held during the month of January, and the nomination of representatives shall be held at least two days preceding the election. The nomination and election shall be called by direction of the President of the Company. Notices of the nomination and election, indicating the number of representatives to be elected in each division, shall be publicly posted in each subdivision of the Works a week in advance, and shall state that employes being wage-earners in the employ of the Company at the time of the election and for at least three months immediately preceding, but not foremen or salaried employes,



## PLAN OF REPRESENTATION

shall be entitled to vote.<sup>1</sup> Special elections shall be similarly called when removal, resignation, or other circumstance occasions a vacancy in representation.

### 4. BASIS AND TERM OF REPRESENTATION

Representation of employees in each division shall be on the basis of one representative to every one hundred and fifty wage-earners, but each division, whatever its number of employees, shall be entitled to at least two representatives. Unless the number of representatives to which a division is entitled is greater than the number of its subdivisions, no two representatives shall be nominated or elected from the same subdivision. Where the number of employees in any one division exceeds one hundred and fifty, or any multiple thereof, by seventy-five or more, an additional representative shall be elected. The persons elected shall act as the employees' representatives from the time of their election until the next annual meeting, unless in the interval other representatives may, as above provided, have been elected to take their places.

### 5. NOMINATION AND ELECTION OF REPRESENTATIVES

To facilitate the nomination and election of employees' representatives, and to insure freedom of choice, both nomination and election shall be by secret ballot, under conditions calculated to insure an impartial count. The Company shall provide ballot boxes and blank ballots, differing in form, for purposes of nomination and election. Each employee entitled to vote shall be given a nomination ballot on which he shall write the names of the fellow wage-earners in his division whom he desires to nominate as representatives, and deposit the nomination ballot in the ballot box. Each employee may nominate representatives to the number to which the division is entitled, and of which public notice has been given. Employees unable to write may ask any of their fellow employees to write for them on their ballots the names of the persons whom they desire to nominate; but in the event of any nomination paper containing more names than the number of representatives to which the division is entitled, the paper shall not be counted. The persons—to the number of twice as many representatives as the division is entitled to—receiv-

<sup>1</sup>[In 1919 a plan of representation similar in principle to the one given in this appendix was put into effect for salaried employees. B.M.S.]

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

ing the highest number of nomination votes shall be regarded as the duly nominated candidates for employees' representatives, and shall be voted upon as hereinafter provided. (For example: If a division is entitled to two representatives, the four persons receiving the largest number of nomination votes shall be regarded as the duly nominated candidates. If the division is entitled to three representatives, then the six persons receiving the largest number, etc., etc.)

### 6. COUNTING OF NOMINATION AND ELECTION BALLOTS

The nomination and election of representatives shall be under the general supervision of the President's Industrial Representative. In each division a time keeper appointed by the Company and a wage-earner designated by the employees' representatives of that division shall act as tellers for both nomination and election, and take charge of the ballot box containing the nomination votes, and, with the aid of the President's Industrial Representative, they shall make out the list of the duly nominated candidates, which shall be posted in each subdivision not later than the day preceding the election. On the date designated, the election of representatives shall be held by secret ballot, from among the number of candidates nominated, the same tellers having charge of the balloting, and the results of the election, signed by the tellers, shall be posted in each subdivision and forwarded to the President of the Company. If dissatisfied with the count in any division, as respects either the nomination or election, any twenty-five employees in such division who participated in the election, may, within twenty-four hours after the results of the voting have been posted, demand a recount, and for the purposes of the recount the President's Industrial Representative shall select as tellers three from the number of those demanding a recount, and himself assist in the counting, and these four shall act, in making the recount, in the place of the tellers previously chosen. There shall be no appeal from this recount, except to the President of the Company, and such appeal may be taken as hereinafter provided, at the request of any twenty-five employees who participated in the election.

### 7. APPEAL IN REGARD TO NOMINATION OR ELECTION

The tellers shall preserve, properly sealed, for a period of one week, both the nomination and election ballots. Should an appeal be made to the President within seven days in

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regard to the validity of the nomination or election in any division, upon a request in writing signed by twenty-five employes in such division who participated in the election, the tellers shall deliver the ballots to the President of the Company for recount. Should no such request be received within that time, the tellers shall destroy the ballots. If after considering the appeal, the President is of the opinion that the nomination or election has not been fairly conducted, he shall order a new election in the division concerned at a time to be designated by him.

### 8. GENERAL PROCEEDINGS AT MEETINGS

Meetings of employes in any division may be held at such times as will not interfere with operations, on the call of the representatives of such division, to consider and make recommendations concerning any matters pertaining to their employment, working or living conditions, or arising out of existing industrial relations, including such as they may desire to have their representatives discuss with the President and officers of the Company at the Joint Conferences of the Company's officers and employes, also any matters referred to them by the President, other officers of the Company, the Advisory Board on Social and Industrial Betterment, or by any of the several Joint Committees appointed at the preceding annual Joint Conferences of officials and employes of the Company. A record of the proceedings shall be made by the Secretary of the meeting and certified to by the Chairman, and copies delivered to each of the representatives of that division and mailed to the President of the Company, to be retained by them for purposes of future reference.

## PART II

### JOINT CONFERENCES AND JOINT COMMITTEES

#### 1. TIME, PLACE AND PURPOSE OF JOINT CONFERENCES

Joint conferences shall be held at the call of the President, at places to be designated by him, not later than three weeks following the annual election of representatives, and at intervals of not more than four months thereafter, as the operating officers of the Company, or a majority of the representatives of the employes, may find desirable. The purpose of these

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

joint conferences shall be to receive reports of Joint Committees, to discuss freely matters of mutual interest and concern to the Company and its employees, embracing a consideration of suggestions to promote increased efficiency and production, to improve working and living conditions, to enforce discipline, avoid friction, and to further friendly and cordial relations between the Company's officers and employees.

### 2. REPRESENTATION AT JOINT CONFERENCES

At the joint conferences the Company shall be represented by its President or his representative and such other officials as the President may designate. The employees shall be represented by their elected representatives. The Company's representatives shall not exceed in number the representatives of the employees. The Company shall provide at its own expense appropriate places of meeting for the conferences.

### 3. PROCEEDINGS OF JOINT CONFERENCES

The joint conferences shall be presided over by the President of the Company, or such executive officer as he may designate. Each conference shall select a Secretary who shall record its proceedings. The record of proceedings shall be certified to by the presiding officer.

### 4. JOINT COMMITTEES ON INDUSTRIAL RELATIONS

The first joint conference held in each year shall select the following joint committees on industrial relations, which joint committees shall be regarded as permanent committees to be entrusted with such duties as are herein set forth, or as may be assigned by the conferences. These joint committees shall be available for consultation at any time throughout the year with the Advisory Board on Social and Industrial Betterment, the President, the President's Executive Assistant, or any officer of the Operating Department of the Company.

(a) Joint Committee on Industrial Co-operation and Conciliation, to be composed of twelve members;

(b) Joint Committee on Safety and Accidents, to be composed of twelve members;

(c) Joint Committee on Sanitation, Health and Housing, to be composed of twelve members;

(d) Joint Committee on Recreation and Education, to be composed of twelve members.

## PLAN OF REPRESENTATION

### 5. SELECTION AND COMPOSITION OF JOINT COMMITTEES

In selecting the members of the several joint committees on industrial relations, the employes' representatives shall, as respects each committee, designate one-half the number of members, and the President of the Company or his representative the other half.

### 6. DUTIES OF JOINT COMMITTEE ON INDUSTRIAL CO-OPERATION AND CONCILIATION

The Joint Committee on Industrial Co-operation and Conciliation may, of its own initiative, bring up for discussion at the Joint Conferences, or have referred to it for consideration and report to the President or other proper officer of the Company at any time throughout the year, any matter pertaining to the prevention and settlement of industrial disputes, terms and conditions of employment, maintenance of order and discipline, Company stores, etc., etc.

### 7. DUTIES OF JOINT COMMITTEE ON SAFETY AND ACCIDENTS

The Joint Committee on Safety and Accidents may, of its own initiative, bring up for discussion at the Joint Conferences, or have referred to it for consideration and report to the President or other proper officer of the Company at any time throughout the year, any matter pertaining to inspection, the prevention of accidents, the safeguarding of machinery and dangerous working places, the use of explosives, fire protection, first aid, etc., etc.

### 8. DUTIES OF JOINT COMMITTEE ON SANITATION, HEALTH AND HOUSING

The Joint Committee on Sanitation, Health and Housing may, of its own initiative, bring up for discussion at the Joint Conferences, or have referred to it for consideration and report to the President or other proper officer of the Company at any time throughout the year, any matter pertaining to health, hospitals, physicians, nurses, occupational diseases, tuberculosis, sanitation, water supply, sewage system, garbage disposal, street cleaning, wash and locker rooms, housing, homes, rents, gardens, fencing, etc., etc.

### 9. DUTIES OF JOINT COMMITTEE ON RECREATION AND EDUCATION

The Joint Committee on Recreation and Education may, of its own initiative, bring up for discussion at the Joint Con-

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

ferences, or have referred to it for consideration and report to the President or other proper officer of the Company, at any time throughout the year, any matter pertaining to social centers, halls, playgrounds, entertainments, moving pictures, athletics, competitions, field days, holidays, schools, libraries, classes for those who speak only foreign languages, technical education, manual training, health lectures, classes in first aid, religious exercises, churches and Sunday schools, clubhouses, Y.M.C.A. organizations, etc., etc.

### PART III

## THE PREVENTION AND ADJUSTMENT OF INDUSTRIAL DISPUTES

### 1. OBSERVANCE OF LAWS, RULES AND REGULATIONS

There shall be on the part of the Company and its employes, a strict observance of the federal and state labor laws and of the Company's rules and regulations supplementing the same.

### 2. WAGES AND RULES OPEN TO INSPECTION

The wage rates shall be kept on file by the superintendents of the several departments and shall be open to inspection by any representative or other employe upon request. The rules in regard to working conditions shall be posted in a conspicuous place in each subdivision.

### 3. NO DISCRIMINATION ON ACCOUNT OF MEMBERSHIP OR NON-MEMBERSHIP IN LABOR OR OTHER ORGANIZATIONS

There shall be no discrimination by the Company or by any of its employes on account of membership or non-membership in any society, fraternity or union.

### 4. THE RIGHT TO HIRE AND DISCHARGE, AND THE MANAGEMENT OF THE WORKS

The right to hire and discharge, the management of the Works, and the direction of the working forces, shall be vested exclusively in the Company, and, except as expressly restricted, this right shall not be abridged by anything contained herein.



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### 5. EMPLOYEES' RIGHT TO CAUTION OR SUSPENSION BEFORE DISCHARGE

There shall be posted in each subdivision a list of offenses for commission of which by an employe dismissal may result without notice. For other offenses, employes shall not be discharged without first having been notified that a repetition of the offense will be cause for dismissal. A copy of this notification shall, at the time of its being given to an employe, be sent also to the President's Industrial Representative and retained by him for purposes of future reference. Nothing herein shall abridge the right of the Company to relieve employes from duty because of lack of work. Where relief from duty through lack of work becomes necessary, men with families shall, all things being equal, be given preference.

### 6. EMPLOYEES' RIGHT TO HOLD MEETINGS

Employes shall have the right to hold meetings at appropriate places on Company property or elsewhere as they may desire outside of working hours or on idle days.

### 7. EMPLOYEES' RIGHT TO PURCHASE WHERE THEY PLEASE

Employes shall not be obliged to trade at the Company stores, but shall be at perfect liberty to purchase goods wherever they may choose to do so.

### 8. EMPLOYEES' RIGHT OF APPEAL TO PRESIDENT OF COMPANY AGAINST UNFAIR CONDITIONS OR TREATMENT

Subject to the provisions hereinafter mentioned, every employe shall have the right of ultimate appeal to the President of the Company concerning any condition or treatment to which he may be subjected and which he may deem unfair.

### 9. DUTY OF PRESIDENT'S INDUSTRIAL REPRESENTATIVE

It shall be the duty of the President's Industrial Representative to respond promptly to any request from employes' representatives for his presence in any subdivision, and to visit all of them frequently to confer with the employes or their representatives and the superintendents respecting working and living conditions, the observance of federal and state laws, the carrying out of Company regulations, and to report the result of such conferences to the President.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

### 10. COMPLAINTS AND GRIEVANCES TO BE TAKEN UP FIRST WITH FOREMEN AND SUPERINTENDENTS

Before presenting any grievance to the President, the President's Industrial Representative, or other of the higher officers of the Company, employes shall first seek to have differences or the conditions complained about adjusted by conference, in person or through their representatives, with the foreman or superintendent.

### 11. INVESTIGATION OF GRIEVANCES BY PRESIDENT'S INDUSTRIAL REPRESENTATIVE

Employes believing themselves to be subjected to unfair conditions or treatment and having failed to secure satisfactory adjustment of the same through the superintendent, may present their grievances to the President's Industrial Representative, either in person or through their regularly elected representatives, and it shall be the duty of the President's Industrial Representative to look into the same immediately and seek to adjust the grievance.

### 12. THE RIGHT OF APPEAL TO THE SUPERIOR OFFICERS OF THE COMPANY AGAINST UNFAIR TREATMENT, CONDITIONS, SUSPENSIONS OR DISMISSALS

Should the President's Industrial Representative fail to satisfactorily conciliate any difference, with respect to any grievance, suspension or dismissal, the aggrieved employe, either himself or through his representative—and in either case in person or by letter—may appeal for the consideration and adjustment of his grievance to the Manager, General Manager, or the President of the Company, in consecutive order. To entitle an employe to the consideration of his appeal by any of the higher officers herein mentioned, the right to appeal must be exercised within a period of two weeks after the same has been referred to the President's Industrial Representative without satisfactory redress.

### 13. REFERENCE OF DIFFERENCES IN CERTAIN CASES TO JOINT COMMITTEE ON INDUSTRIAL CO-OPERATION AND CONCILIATION

Where the President's Industrial Representative or one of the higher officials of the Company fails to adjust a difference satisfactorily, upon request to the President by the employes' representatives of the division concerned, or upon the initi-

## PLAN OF REPRESENTATION

ative of the President himself, the difference shall be referred to the Joint Committee on Industrial Co-operation and Conciliation, and the decision of the majority of such Joint Committee shall be binding upon all parties.

### 14. REPRESENTATION ON JOINT COMMITTEE TO BE EQUAL WHEN CONSIDERING ADJUSTMENT OF DIFFERENCES

Whenever the Joint Committee on Industrial Co-operation and Conciliation is called upon to act with reference to any difference, except by the consent of all present the Joint Committee shall not proceed with any important part of its duties unless both sides are equally represented. Where agreeable, equal representation may be effected by the withdrawal of one or more members from the side of the Joint Committee having the majority.

### 15. UMPIRE TO ACT WITH JOINT COMMITTEE IN CERTAIN CASES

Should the Joint Committee on Industrial Co-operation and Conciliation to which a difference may have been referred fail to reach a majority decision in respect thereto, if a majority of its members so agree, the Joint Committee may select as umpire a third person who shall sit in conference with the Committee and whose decision shall be binding upon all parties.

### 16. ARBITRATION OR INVESTIGATION IN CERTAIN CASES

In the event of the Joint Committee on Industrial Co-operation and Conciliation failing satisfactorily to adjust a difference by a majority decision or by agreement on the selection of an umpire, as aforementioned, within ten days of a report to the President of the failure of the Joint Committee to adjust the difference, if the parties so agree, the matter shall be referred to arbitration, otherwise it shall be made the subject of investigation by the State of Colorado Industrial Commission, in accordance with the provisions of the statute regulating the powers of the Commission in this particular. Where a difference is referred to arbitration, one person shall be selected as arbitrator if the parties can agree upon his selection. Otherwise there shall be a board of three arbitrators, one to be selected by the employes' representatives on the Joint Committee of Industrial Co-operation and Conciliation, one by the Company's representatives on this Committee, and a third by the two arbitrators thus selected.

## EMPLOYES' REPRESENTATION IN STEEL WORKS

By consent of the members of the Joint Committee on Industrial Co-operation and Conciliation to which a difference has been referred, the Industrial Commission of the State of Colorado may be asked to appoint all of the arbitrators or itself arbitrate the difference. The decision of the sole arbitrator or of the majority of the Board of Arbitration or of the members of the State of Colorado Industrial Commission when acting as arbitrators, as the case may be, shall be final and shall be binding upon the parties.

### 17. PROTECTION OF EMPLOYES' REPRESENTATIVES AGAINST DISCRIMINATION

To protect against the possibility of unjust treatment because of any action taken or to be taken by them on behalf of one or more of the Company's employes, any employes' representative believing himself to be discriminated against for such a cause shall have the same right of appeal to the officers of the Company or to the Joint Committee on Industrial Co-operation and Conciliation as is accorded every other employe of the Company. Having exercised this right in the consecutive order indicated without obtaining satisfaction, for thirty days thereafter he shall have the further right of appeal to the Industrial Commission of the State of Colorado, which body shall determine whether or not discrimination has been shown, and as respects any representative deemed by the Commission to have been unfairly dealt with, the Company shall make such reparation as the State of Colorado Industrial Commission may deem just.

## PART IV

### SOCIAL AND INDUSTRIAL BETTERMENT

#### 1. EXECUTIVE SUPERVISION

The President's Executive Assistant, in addition to other duties, shall, on behalf of the President, supervise the administration of the Company's policies respecting social and industrial betterment.<sup>1</sup>

<sup>1</sup> [The functions of the executive assistant were taken over in the summer of 1917 by the president of the company. In 1920 a vice-president of the company was made responsible for industrial relations, including the program for "social and industrial betterment." B. M. S.]

## PLAN OF REPRESENTATION

### 2. CO-OPERATION OF PRESIDENT'S EXECUTIVE ASSISTANT WITH JOINT COMMITTEES IN CARRYING OUT POLICIES OF SOCIAL AND INDUSTRIAL BETTERMENT

In the discharge of his duties, the President's Executive Assistant shall from time to time confer with the several Joint Committees, on Safety and Accidents, on Sanitation, Health and Housing, on Recreation and Education, and on Industrial Co-operation and Conciliation, appointed at the annual Joint Conference, as to improvements or changes likely to be of mutual advantage to the Company and its employes. Members of the several Joint Committees shall be at liberty to communicate at any time with the President's Executive Assistant with respect to any matters under their observation or brought to their attention by employes or officials of the Company, which they believe should be looked into or changed. As far as may be possible, employes should be made to feel that the President's Executive Assistant will welcome conferences with members of the several Joint Committees on matters of concern to the employes, whenever such matters have a direct bearing on the industrial, social, and moral well-being of employes and their families or the community in which they reside.

### 3. ADVISORY BOARD ON SOCIAL AND INDUSTRIAL BETTERMENT

In addition to consulting, from time to time, the several Joint Committees or their individual members, the President's Executive Assistant shall be the Chairman of a permanent Advisory Board on Social and Industrial Betterment, to which may be referred questions of policy respecting social and industrial betterment and related matters requiring executive action.

### 4. MEMBERS OF ADVISORY BOARD

The Advisory Board on Social and Industrial Betterment shall be composed of such of the Company's officers as the President may designate.

### 5. REGULAR AND SPECIAL MEETINGS OF ADVISORY BOARD

The Advisory Board shall meet at least once in every six months, and may convene for special meetings upon the call of the Chairman whenever he may deem a special meeting advisable.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

### 6. POWERS AND DUTIES OF THE ADVISORY BOARD

The Advisory Board shall have power to consider all matters referred to it by the Chairman, or any of its members, or by any committee or organization directly or indirectly connected with the Company, and may make such recommendations to the President as in its opinion seem to be expedient and in the interest of the Company and its employes.

### 7. RELATION OF PRESIDENT'S EXECUTIVE ASSISTANT TO COMMUNITY NEEDS

The President's Executive Assistant shall also co-operate in matters pertaining to the sanitary, medical, educational, religious, social, and other like needs of the industrial community directly related to the Works, with a view of seeing that such needs are suitably and adequately provided for, and the several activities pertaining thereto harmoniously conducted.

### 8. METHOD OF CARRYING OUT IMPROVEMENTS

Improvements respecting social and industrial betterment shall, after approval by the President, be carried out through the regular Company organization.

### 9. HOSPITALS AND DOCTORS

Where arrangements for doctors at the dispensary have already been made and are satisfactory, such arrangements shall continue. In making any new arrangement for a doctor, the Joint Committee on Sanitation, Health, and Housing, the President's Executive Assistant, and the Chief Medical Officer shall select a doctor, and enter into an agreement with him which shall be signed by all four parties.

### 10. COMPANY PERIODICAL

The Company shall publish, under the direction of the President's Executive Assistant, a periodical which shall be a means of communication between the management, the employes and the public, concerning the policies and activities of the Company. This periodical shall be used as a means of co-ordinating, harmonizing, and furthering the social and industrial betterment work, and of informing employes of the personnel and proceedings of conferences, boards, and committees, in which they are interested. It shall



## AGREEMENT RESPECTING CONDITIONS

record events pertaining to social and industrial activities, and be a medium for making announcements with reference to the same, and for diffusing information of mutual interest to the Company and its employees.

### II. COST OF ADMINISTERING PLAN OF REPRESENTATION AND OF FURTHERING SOCIAL AND INDUSTRIAL BETTERMENT POLICIES

The promotion of harmony and good-will between the Company and its employees and the furtherance of the well-being of employees and their families and the community in which they reside being essential to the successful operation of the Company's industries in an enlightened and profitable manner, the expenses necessarily incidental to the carrying out of the social and industrial betterment policies herein described, and the plan of representation and joint conferences herein set forth, including the payment of expenses of employees' representatives when attending joint conferences, and their reimbursement for the working time necessarily lost in so doing, shall be borne by the Company. But nothing herein shall preclude employees of the Company from making, in lieu of payment by the Company or in addition to it, such payment to their representatives in consideration of services rendered on their behalf as they themselves may voluntarily desire and agree to make.

## MEMORANDUM OF AGREEMENT RESPECTING EMPLOYMENT, LIVING AND WORKING CONDITIONS

BETWEEN THE COLORADO FUEL AND IRON COMPANY AND ITS  
EMPLOYEES IN THE MINNEQUA STEEL WORKS

MAY, 1916, TO MAY, 1918

It is mutually understood and agreed that in addition to the rights and privileges guaranteed the employees and the Company, in the Industrial Representation Plan herewith, the following stipulations respecting employment, living and working conditions shall govern the parties hereto from the date of its adoption by a majority vote of the employees until

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

May 1, 1918, and shall continue thereafter subject to revision upon ninety days' notice by either of the parties:

### I. RENT OF DWELLINGS

The charge to employees for dwellings, owned by the Company, shall not exceed rates normally charged for similar houses in the same neighborhood, and in no case shall the rate be higher than is necessary to carry and maintain the property, and to provide for its depreciation.

### II. PRICES OF DOMESTIC COAL

The Company shall arrange so that employees may obtain domestic coal produced by the Company, at 50 cents per ton below the normal retail price charged by dealers to the general public.

### III. FENCING OF EMPLOYEES' HOMES AND GARBAGE REMOVAL

To encourage employees to cultivate flower and vegetable gardens, the Company agrees to fence, free of charge, each house lot owned by it.

The Company will continue its practice of removing garbage free of charge.

### IV. WASH HOUSES

As the need becomes manifest, the Company will, in accordance with its present policy, provide, as rapidly as possible, suitable wash houses for its employees, at convenient places in the Works.

### V. HOURS OF LABOR

The present hours of labor of employees of the several subdivisions shall not be increased, and shall not at any time be less favorable to the employees than the hours of labor in similar operations conducted by the Company's competitors.

### VI. SEMI-MONTHLY PAYMENT OF WAGES

All employees shall be paid semi-monthly by check.

No deductions shall be made from earnings, except where authorized by employees.

## AGREEMENT RESPECTING CONDITIONS

### VII. WAGE SCHEDULE AND WORKING CONDITIONS

The wage rates now in force in the several subdivisions conform substantially with wage rates for like work under similar conditions in effect with companies whose products are sold in active competition with products of The Colorado Fuel and Iron Company, and that similarity of rates with those competing companies shall be maintained. The working conditions now in force shall continue, subject to adjustment and regulation in conformity with conditions in effect in similar operations conducted by the Company's competitors. For the purpose of making such change in wages or working conditions a joint meeting of employes' representatives in the divisions affected and proper officers of the Company shall be called within thirty days after the change in wages or in working conditions in competitive operations is effective, to discuss and determine an equitable method for fixing the new schedule of wages or working conditions in the departments concerned.

We hereby certify that the Plan of Representation and Agreement as set forth were discussed and unanimously adopted at a joint conference of officers of The Colorado Fuel and Iron Company and the representatives of its employes, held at Pueblo, today, Wednesday, April 26, 1916, and referred by the conference for approval to the Board of Directors of the Company and to the Company's employes at the Minnequa Works, on the understanding that the same should be voted upon by secret ballot, and if adopted by the Board of Directors on the one hand and a majority of the Company's employes on the other, should become binding upon the parties thereto.

(Signed)

C. J. HICKS,  
Representing the Company.

(Signed)

D. C. COOK,  
Representing the Employes.  
(Joint Secretaries of the Conference.)

Pueblo, Colorado, April 26, 1916.

I hereby certify that the Plan of Representation and Agreement referred for approval to the Board of Directors of the Company by the joint conference of the officers of The Colorado Fuel and Iron Company and the representatives of

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

its employes, held at Pueblo on Wednesday, April 26, 1916, was today duly considered by the Board of Directors and unanimously adopted.

(Signed)

J. A. WRITER,  
Secretary of the Board of Directors of  
The Colorado Fuel and Iron Company.

Denver, Colorado, April 27, 1916.

We hereby certify that the Plan of Representation and Agreement referred for approval to the Company's employes at the Minnequa Steel Works by the joint conference of officers of The Colorado Fuel and Iron Company and the representatives of its employes, held at Pueblo on Wednesday, April 26, 1916, was voted upon by secret ballot on Thursday, May 4, 1916, and that having examined the official returns duly certified to by the tellers appointed by the Company and by the employes' representatives to take charge of the vote in the several divisions, we find that the total number of votes cast was 3,184, of which number 2,321, or 72.9 per cent of the total votes cast, were in favor of, and 863, or 27.1 per cent, were against the proposed Plan and Agreement.

(Signed)

C. J. HICKS,  
Representing the Company.

(Signed)

D. C. COOK,  
Representing the Employes.

Pueblo, Colorado, May 5, 1916.

Signed on behalf of The Colorado Fuel and Iron Company.

(Signed)

J. F. WELBORN,  
President.

(Company Seal)

(Signed)

J. A. WRITER,  
Secretary.

Denver, Colorado, May 6, 1916.

Signed on behalf of the employes of The Colorado Fuel and Iron Company,

GEO. W. MCCRAY,  
Representative of 1st Division.

May 6, 1916.

# AGREEMENT RESPECTING CONDITIONS

May 6, 1916.	W. H. WALKER, Representative of 1st Division.
May 6, 1916.	FRANK VAN DYKE, Representative of 2nd Division.
May 6, 1916.	RANSOM FUEQUAY, Representative of 2nd Division.
May 6, 1916.	B. J. THOMAS, Representative of 2nd Division.
May 6, 1916.	D. C. COOK, Representative of 3rd Division.
May 6, 1916.	WM. LAMB, Representative of 3rd Division.
May 6, 1916.	F. JOS. LOEFFLER, Representative of 3rd Division.
May 6, 1916.	THOS. P. REESE, Representative of 4th Division.
May 6, 1916.	H. O. LEMON, Representative of 4th Division.
May 6, 1916.	A. H. LEE, Representative of 5th Division.
May 6, 1916.	ANDY J. DIAMOND, Representative of 5th Division.
May 6, 1916.	A. J. COLLINS, Representative of 5th Division.
May 6, 1916.	JOHN FAHEY, Representative of 6th Division.
May 6, 1916.	FRED LOBAUGH, Representative of 6th Division.
May 6, 1916.	G. C. BEBOUT, Representative of 6th Division.
May 6, 1916.	WM. BEURMAN, Representative of 6th Division.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

May 6, 1916.	V. E. JOHNSON, Representative of 6th Division.
May 6, 1916.	ANTON KOICHEVAR, Representative of 6th Division.
May 6, 1916.	GEO. J. WHITE, Representative of 6th Division.
May 6, 1916.	C. B. BARTLE, Representative of 7th Division.
May 6, 1916.	G. SCHULTZ, Representative of 7th Division.
May 6, 1916.	R. N. DOUGHTY, Representative of 8th Division.
May 6, 1916.	LESLIE SANDS, Representative of 8th Division.
May 6, 1916.	TONY JULIANO, Representative of 9th Division.



## APPENDIX B

### JOINT REPRESENTATION OF EMPLOYEES AND MANAGEMENT AND PROCEDURE IN INDUSTRIAL RELATIONS

ADOPTED BY EMPLOYEES AND MANAGEMENT OF THE  
COLORADO FUEL AND IRON COMPANY AT THE MINES,  
OCTOBER, 1915, AND AT THE STEEL WORKS AND  
QUARRIES, MAY, 1916, AS CONSOLIDATED BY  
A JOINT COMMITTEE OF EMPLOYEES AND  
MANAGEMENT DECEMBER 20, 1921

THE CONSOLIDATED FORM ADOPTED BY THE ANNUAL  
MEETINGS OF EMPLOYEES' AND MANAGEMENT'S  
REPRESENTATIVES AT PUEBLO ON  
DECEMBER 29-30, 1921

#### PREAMBLE

FOR the purpose of maintaining and further developing  
harmony and right understanding within The Colorado  
Fuel and Iron Company, the following method of joint  
representation and procedure in industrial relations has been  
adopted:

#### PART I

##### REPRESENTATION OF EMPLOYEES

1. For the purpose of fixing the basis of representation, the  
divisions and subdivisions of existing properties are as follows:

DIVISION	SUBDIVISIONS
First—Blast Furnace. . . .	{ A—Transportation, Pig Machine and Cinder Dump. B—All other Blast Furnace Men.
Second—Open Hearth and Bessemer. . . . .	{ A—Open Hearth; Spiegel Plant. B—Bessemer Department. C—East Side Producers.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

Third—Rail Mill.....	{ A—Soaking Pits and Rail Mill. B—Finishing and Loading Department.
Fourth—Old Mills.....	{ A—Bolt and Spike Mills. B—12-inch and 20-inch Mills.
Fifth—East Mills.....	{ A—Rod and 10-inch Mills. B—14-inch Mill and Shipping Department. C—40-inch Mill. D—East Side Boilers
Sixth—Wire Mill.....	{ A—Rod Dock; Cleaning House; Drawing Room. B—Nail Mill and Rumbler Room. C—Galvanizing Department; Pot Room, and Bundling Room. D—Barb and Bale Tie Departments. E—Field Fence. F—Shipping Department and Cooper Shop. G—Electrical, Mechanical, Boiler Plant and Yard.
Seventh—Shops.....	{ A—Foundry. B—Machine Shop. C—Boiler Shop. D—Carpenter, Scale, Pattern, Smith, Pipe Shops and Store House. E—Roll Shop. F—Electrical Shop; Power Plant. G—Masons. H—C. & W. Shop and Car Men. I—Pipe Foundry.
Eighth—By-Product Coke Plant.....	{ A—Batteries. B—Remainder of Coke Plant.
Ninth—Yard.....	{ A—C. & W. Trackmen. B—Floating and Contract Gangs. C—Locomotive Cranes and Stables. D—Watchmen.
Tenth—C. & W. Transportation.....	{ C. & W. Transportation Men, except Blast Furnace Men.
Iron Mines.....	{ A—Sunrise. B—Chicago. C—C. & W. Ry., Northern Division.
Quarries.....	{ A—Lime. B—Calcite.

# CONSOLIDATED PLAN OF REPRESENTATION

MORLEY . . . . .	{ A—East Side Mine. B—Slope Mine.
STARKVILLE	
ENGLE	
SOPRIS . . . . .	{ A—Number One Mine. B—Number Two Mine.
PRIMERO . . . . .	{ A—First North Mine. B—East Side Mine.
FREDERICK	
BERWIND	
TOLLER	
TABASCO	
SEGUNDO . . . . .	{ A—Washeries and Coke Ovens. B—C. & W. Ry., Southern Division.
ROUSE	
LESTER	
IDEAL	
CAMERON . . . . .	{ A—No. 1. B—No. 2.
WALSEN ROBINSON . . . . .	{ A—Old Walsen. B—Robinson No. 1. C—Robinson No. 2.
PICTOU	
JOBAL	
KEBLER No. 1	
KEBLER No. 2	
COAL CREEK	
ROCKVALE	
FREMONT	
EMERALD	
CRESTED BUTTE	
ELK MOUNTAIN	

As additional properties are added to the operations, they shall be entitled to representation on the same basis.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

### 2. ANNUAL ELECTION OF EMPLOYEES' REPRESENTATIVES

Employees in each division or subdivision shall annually elect from among their number, representatives to act on their behalf with respect to matters pertaining to their employment, living and working conditions, the adjustment of differences, and other matters of mutual concern and interest.

### 3. TIME AND METHOD OF CALLING ANNUAL ELECTIONS AND PERSONS ENTITLED TO PARTICIPATE

The annual nomination and election of representatives shall be held during the first half of the month of January, unless deferred by common consent.

The nomination and election shall be called by direction of the President of the Company.

Notice of nomination and election, indicating the time and place thereof and the number of representatives to be elected in the division or subdivision, shall be conspicuously posted a week in advance and shall state that employees being wage earners at the time and for at least three months immediately preceding the month in which elections are held, shall be entitled to vote. No foreman or official having authority to employ or discharge, or any salaried employe, shall have the right to vote. Where meetings are held for election, no such person shall be present.

### 4. ELIGIBILITY FOR OFFICE OF REPRESENTATIVE

Only an employe who is a citizen of the United States, who is 21 years of age or over, and who is and has been an employe of the Company continuously for at least one year immediately preceding the month in which elections are held, shall be qualified for nomination and election as a representative.

### 5. BASIS AND TERM OF REPRESENTATION

Representation of employes shall be on the basis of one representative to every 150 wage earners or major fraction thereof, but each division, whatever its number of employes, shall be entitled to at least two representatives, and each subdivision shall be entitled to at least one representative.

Inasmuch as the numbers of shift men and tonnage men are about equal in and around coal mines, it is recommended that one representative be chosen from each group.

Representatives shall be elected for a term of one year or until their successors are elected and qualified.

## CONSOLIDATED PLAN OF REPRESENTATION

### 6. NOMINATION AND ELECTION OF REPRESENTATIVES

Nomination and election of representatives shall be by secret ballot under conditions that insure freedom of choice and an impartial count.

Procedure for conducting nominations and elections shall be agreed upon by the employes' representatives and the management at each operation.

For purposes of nomination and election, the management shall provide ballot boxes and blank ballots, the ballots to be of one color or form for nominations, and of another for elections.

### 7. METHOD OF NOMINATION

Each employe entitled to vote shall be given a nomination ballot, on which he shall write the names—or if unable to write, he shall have the duly authorized tellers or a fellow employe, in the presence of the tellers, write the names—of the fellow employes in his division or subdivision whom he desires to nominate as representatives, and himself deposit the nomination ballot in the ballot box. Each employe may nominate representatives to the number to which the division or subdivision is entitled, and which shall be stated on the ballot.

In the event of any nomination ballot containing more names than the number of representatives to which the division or subdivision is entitled, the ballot shall not be counted.

The persons, to the number of twice as many as the number of representatives to which the division or subdivision is entitled, receiving the highest number of nomination votes, shall be regarded as the duly nominated candidates for representatives; provided, that in case two or more names shall be tied for nomination, and each shall have received a sufficient number of votes to nominate him, then all such names shall be included on the election ballot.

Except as hereinafter provided, the tellers shall make out in alphabetical order a list of the duly nominated candidates, which shall be posted in each subdivision not later than the day preceding the election.

### 8. METHOD OF ELECTION

The election of representatives shall be held by secret ballot from among the candidates nominated, whose names, in

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

alphabetical order and the number of candidates each voter may vote for, shall be placed on the election ballots, the same tellers having charge of the balloting; provided, that where mass meetings are held for the purpose of election the employees shall write their choice on the election ballots. In case of a tie vote, another ballot shall be taken on the candidates who were tied.

### 9. APPEAL IN REGARD TO NOMINATION OR ELECTION

The tellers shall preserve, properly sealed, for a period of two weeks, both the nomination and election ballots. Should an appeal be made to the President within seven days in regard to the validity of the nomination or election in any division, upon a request in writing signed by twenty-five employees in such division who participated in the election, the tellers shall deliver the ballots to the President of the Company for recount. Should no such request be received within that time, the tellers shall destroy the ballots. If, after considering the appeal with the local Committee on Co-operation, Conciliation and Wages, the President is of the opinion that the nomination or election has not been fairly conducted, he shall order a new election in the division concerned at a time to be designated by him.

### 10. SPECIAL ELECTIONS

Special elections shall be similarly called when removal, resignation, permanent transfer or other circumstance causes a vacancy in representation.

A representative shall immediately and automatically cease to hold office upon severance of his relations with the Company or upon his permanent appointment to such a position as would disqualify him from voting or acting as a representative.

### 11. RECALL

A representative may be recalled on petition signed by a majority of the eligible voters in his division or subdivision, but such representative shall be eligible for nomination as a candidate at the election called to fill the vacancy caused by his recall.

### 12. MEETINGS OF EMPLOYEES

Meetings of employees in any division or subdivision, or conferences of employees' representatives, may be held at such



## CONSOLIDATED PLAN OF REPRESENTATION

times as will not interfere with operations, to consider and make recommendations concerning any matters pertaining to their employment, living and working conditions, or arising out of existing relations, including such as they may desire to have considered at the joint conferences, also any matters referred to them by the President, other officers, or by any of the joint committees.

### PART II

#### JOINT MEETINGS AND JOINT CONFERENCES

Steel Works, Iron Mines and Limestone Quarries.	Coal Mines.
JANUARY	
Annual nominations and elections of representatives, first half January.	Annual nominations and elections of representatives, first half January.
Committee and joint committee meetings, first joint conference, last half.	First joint conference, last half.
FEBRUARY	
MARCH	
APRIL	
MAY	
Second joint conference, first half.	Second joint conference.
JUNE	
JULY	
AUGUST	
SEPTEMBER	
Third joint conference, first half.	Third joint conference.
OCTOBER	
NOVEMBER	
DECEMBER	
Annual joint meeting.	Annual joint meeting.

## EMPLOYES' REPRESENTATION IN STEEL WORKS JOINT CONFERENCES AND JOINT COMMITTEES

### 1. ARRANGEMENT OF DISTRICTS

Joint conferences shall be held and joint committees shall be selected as follows:

For the Trinidad District, comprising the coal mines and the coke ovens in Las Animas County, and the Southern division of The Colorado & Wyoming Railway Company.

For the Walsenburg District, comprising the coal mines in Huerfano County.

For the Canon District, comprising the coal mines in Fremont County.

For the Western District, comprising the coal mines on the Western Slope.

For the Sunrise District, comprising the iron mines in Wyoming, and the northern division of The Colorado & Wyoming Railway Company.

For the Minnequa District, comprising the steel works and limestone quarries, and the middle division of The Colorado & Wyoming Railway Company. (For convenient working purposes each quarry may have its own joint committees.)

### 2. TIME, PLACE AND PURPOSE OF DISTRICT JOINT CONFERENCES

Joint conferences shall be held at the call of the President, at places to be designated by him, in January, May and September each year. Special joint conferences may be held as the President of the Company or a majority of the employees' representatives may find desirable.

The purpose of these joint conferences shall be to discuss freely matters of mutual interest and concern, embracing a consideration of suggestions to promote increased efficiency and production, to improve living and working conditions, to enforce discipline, avoid friction, and to strengthen friendly and cordial relations between management and employees.

### 3. REPRESENTATION AT JOINT CONFERENCES

At the joint conferences the employees shall be represented by their elected representatives. The management shall be represented by such officials as the President may designate.

The management representatives with voting power may equal but not exceed in number the representatives of the employees.

## CONSOLIDATED PLAN OF REPRESENTATION

The Company shall provide appropriate places of meeting for the conferences.

### 4. PROCEDURE OF JOINT CONFERENCES

The joint conferences shall be presided over by the President, or such officer as he may designate.

Each conference shall select a secretary, who shall record its proceedings, which shall be certified to by the presiding officer, and of which a copy shall be sent to the President's Industrial Representative.

### 5. JOINT COMMITTEES ON INDUSTRIAL RELATIONS

The first joint conferences held in each year shall select the following joint committees, each committee to be composed of twelve members for the steel works, Minnequa District, and of six members for each of the other districts, of whom the employes' representatives shall designate one-half and the management one-half:

Joint Committee on Co-operation, Conciliation and Wages;

Joint Committee on Safety and Accidents;

Joint Committee on Sanitation, Health and Housing;

Joint Committee on Recreation and Education.

These joint committees shall be regarded as permanent committees, available for consultation at any time throughout the year with the Advisory Board, the President, the President's Industrial Representative or any of the other officers.

Each joint committee shall select a chairman and a secretary, and arrange its own procedure and hold meetings at least quarterly.

Questions brought before a joint committee shall be fully and definitely presented in person or in writing, and the records of the joint committee should show the disposition made and the final actions taken on each matter considered.

The secretary of each permanent committee shall prepare in writing a full report of the proceedings of the committee for submission to the annual joint meetings.

### 6. DUTIES OF JOINT COMMITTEES, GENERAL

Each of the joint committees may of its own initiative bring up for discussion at the joint conferences, or have referred to it for consideration and report to the President or other officer at any time throughout the year, any matter pertaining to its duties as herein set forth.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

7. THE JOINT COMMITTEES ON CO-OPERATION, CONCILIATION AND WAGES shall have to do with any matters pertaining to the prevention and settlement of disputes, terms and conditions of employment, including wages, hours and other working conditions; maintenance of order and discipline, company stores and other similar matters. At the coal mines a local employees' representative shall accompany the committee on inspection trips.

8. THE JOINT COMMITTEES ON SAFETY AND ACCIDENTS shall have to do with any matters pertaining to the safeguarding of machinery and dangerous working places, the prevention of accidents, the investigation of fatal accidents, the use of explosives, fire protection, first-aid and other similar matters. At the coal mines a local employees' representative shall accompany the committee on inspection trips.

9. THE JOINT COMMITTEES ON SANITATION, HEALTH AND HOUSING shall have to do with any matters pertaining to health, hospitals, physicians, nurses, occupational diseases, sanitation, water supply, sewage system, garbage disposal, street cleaning, wash and locker rooms, houses, rents, gardens, fencing and other similar matters. At the coal mines a local employees' representative shall accompany the committee on inspection trips.

10. THE JOINT COMMITTEES ON RECREATION AND EDUCATION shall have to do with any matters pertaining to social centers, clubhouses, playgrounds, entertainments, moving pictures, athletics, competitions, field days, schools, libraries, classes for those who speak only foreign languages, technical and vocational education, manual training, churches and Sunday Schools, and other similar matters. At the coal mines a local employees' representative shall accompany the committee on inspection trips.

### 11. ANNUAL JOINT MEETINGS

Annual joint meetings of all representatives of the employees and of the management, including members of the several joint committees, shall be held during the month of December in places and in groups to be designated by the President, except at Sunrise where each committee shall be represented by one of its members to be elected by the committee.

## CONSOLIDATED PLAN OF REPRESENTATION

At these meetings, condensed reports covering the work of the year shall be made by each of the joint committees and matters of common interest, requiring collective action, considered.

### 12. SPECIAL JOINT MEETINGS

Special joint meetings of any two or more districts or groups may be called at any time upon the written request to the President of a majority of the representatives in such districts or groups or upon the President's own initiative for the consideration of such matters of common interest as cannot be dealt with satisfactorily at district conferences. Notice of such special joint meetings shall be given at least two weeks in advance.

## PART III THE PREVENTION AND ADJUSTMENT OF DISPUTES

### 1. OBSERVANCE OF LAWS, RULES AND REGULATIONS

There shall be on the part of the management and of the employes, a strict observance of the federal and state laws and of the Company's rules and regulations.

### 2. WAGES AND RULES OPEN TO INSPECTION

The wage rates and the rules governing working conditions shall where practicable be posted in a conspicuous place in each subdivision and at each mine. They shall at all times be kept on file by the superintendent and shall be open to inspection by any representative or other employe upon request.

### 3. NO DISCRIMINATION ON ACCOUNT OF MEMBERSHIP OR NON-MEMBERSHIP IN LABOR OR OTHER ORGANIZATIONS

There shall be no discrimination by the management or by any of the employes on account of membership or non-membership in any society, fraternity or union.

### 4. THE SELECTION AND DIRECTION OF WORKING FORCES

The management of the properties and the direction of the working forces, including the right to hire and discharge, shall be vested in the Company, and, except as expressly restricted, these rights shall not be abridged by anything contained

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

herein. However, the fairness of any action under this paragraph shall be a proper subject for review, according to the general provisions expressed herein.

When it becomes necessary, through lack of work, to reduce the number of employes, length of service and other things being considered, men with dependents shall be given preference.

In making promotions, primary consideration shall be given to length of service and ability to do the work required.

### 5. EMPLOYEES' RIGHT TO CAUTION OR SUSPENSION BEFORE DISCHARGE

There shall be posted in each division and subdivision, and made available to every employe, a list of offenses for commission of which by an employe, dismissal may result without notice.

For offenses other than those posted, employes shall not be discharged without first having been notified in writing that a repetition of the offense will be cause for dismissal.

A copy of this notification shall, at the time of its being given to an employe, be sent to the President's Industrial Representative and to the manager of the department.

### 6. EMPLOYEES' RIGHT TO HOLD MEETINGS

Employes shall have the right to hold meetings at appropriate places on Company property or elsewhere, as they may desire, outside of working hours or on idle days. Meetings during working hours may be held at the mines only with the consent of the local management.

### 7. EMPLOYEES' RIGHT TO PURCHASE WHERE THEY PLEASE

Employes shall not be obliged to trade at the Company stores, but shall be at liberty to purchase goods wherever they prefer.

### 8. CHECKWEIGHMEN AT COAL MINES

As provided by statute, coal miners have the right to employ checkweighmen, and the management shall grant the said checkweighmen every reasonable facility to enable them to render a correct account of all coal weighed.

### 9. DUTIES OF PRESIDENT'S INDUSTRIAL REPRESENTATIVE

It shall be the duty of the President's Industrial Representative to attend meetings and conferences, to respond promptly



## CONSOLIDATED PLAN OF REPRESENTATION

to any request from employees' representatives for his presence, and to visit all of them frequently, and at least once every three months, to confer with the employees or their representatives and the management respecting working and living conditions, the observance of federal and state laws, the carrying out of the Company regulations, and to report the result of such conferences to the President.

### 10. EMPLOYEES' RIGHT OF APPEAL TO PRESIDENT OF COMPANY AGAINST UNFAIR CONDITIONS OR TREATMENT

Subject to the provisions hereinafter mentioned, every employee shall have the right of appeal to the President of the Company concerning any condition or treatment to which he may be subjected and which he may deem unfair.

### 11. COMPLAINTS AND GRIEVANCES TO BE TAKEN UP FIRST WITH FOREMEN AND SUPERINTENDENTS

Before presenting any grievance to the higher officers, employees should first seek to have differences or the conditions complained about adjusted by conference, in person or through their representatives, with the foreman or superintendent, preferably in the order named.

### 12. INVESTIGATION OF GRIEVANCES BY PRESIDENT'S INDUSTRIAL REPRESENTATIVE

Employees believing themselves to be subjected to unfair conditions or treatment may present their grievances to the President's Industrial Representative, either in person or through their representatives, and it shall be the duty of the President's Industrial Representative to look into the same immediately and seek to adjust the grievance.

### 13. EMPLOYEES' RIGHT TO APPEAL TO THE SUPERIOR OFFICERS OF THE COMPANY AGAINST UNFAIR TREATMENT, CONDITIONS, SUSPENSIONS OR DISMISSALS

Should the President's Industrial Representative fail satisfactorily to conciliate any difference with respect to any grievance, suspension or dismissal, the aggrieved employee, either himself or through his representative—and in either case in person or by letter—shall have the right of appeal for the consideration and adjustment of his grievance to the Manager, General Manager, or the President, preferably in consecutive order.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

To entitle an employee to the consideration of his appeal by any of the higher officers herein mentioned, the right to the appeal must be exercised within a period of two weeks after the same has been referred to the President's Industrial Representative without satisfactory results.

### 14. REFERENCE OF DIFFERENCES IN CERTAIN CASES TO JOINT COMMITTEES ON CO-OPERATION, CONCILIATION AND WAGES

A difference which has been taken up, but not adjusted satisfactorily by any official, may be presented to the Joint Committee on Co-operation, Conciliation and Wages, and the decision of the majority of such joint committee shall be binding upon all parties.

### 15. REPRESENTATION ON JOINT COMMITTEES TO BE EQUAL WHEN CONSIDERING ADJUSTMENT OF DIFFERENCES

Whenever the Joint Committee on Co-operation, Conciliation and Wages is called upon to act with reference to any difference, except by the consent of all present, the joint committee shall not proceed with any important part of its duties unless both sides are equally represented.

Where agreeable, equal representation may be effected by the withdrawal of one or more members from the side of the joint committee having the majority.

### 16. UMPIRE TO ACT WITH JOINT COMMITTEES IN CERTAIN CASES

Should the Joint Committee on Co-operation, Conciliation and Wages, to which a difference has been referred, fail to reach a majority decision in respect thereto, if a majority of its members so agree, the joint committee may select as umpire a third person who shall sit in conference with the committee and whose decision shall be binding upon all parties.

### 17. ARBITRATION OR INVESTIGATION IN CERTAIN CASES

In the event of the Joint Committee on Co-operation, Conciliation and Wages failing satisfactorily to adjust a difference by a majority decision, or by agreement on the selection of an umpire, if the parties to the dispute so agree, the matter shall be referred to arbitration; otherwise it may be made the subject of a request for investigation by the State Industrial Commission of Colorado. (Note 1.)

## CONSOLIDATED PLAN OF REPRESENTATION

Where a difference is referred to arbitration, one person shall be selected as arbitrator if the parties can agree on his selection; otherwise there shall be a board of three arbitrators, one to be selected by the employees' representatives on the Joint Committee on Co-operation, Conciliation and Wages, one by the management's representatives on this committee, and a third by the two arbitrators thus selected.

By consent of the members of the Joint Committee on Co-operation, Conciliation and Wages, to which a difference has been referred, in Colorado, the State Industrial Commission may be asked to appoint all of the arbitrators, or itself arbitrate the difference.

The decision of the sole arbitrator, or of the majority of the board of arbitration, or of the members of the Colorado State Industrial Commission, when acting as arbitrators, as the case may be, shall be final and shall be binding upon the parties. (Note 1.)

Note 1. The state of Wyoming has no tribunal corresponding to the Industrial Commission of Colorado; therefore the provisions of this plan relating to the Industrial Commission do not apply to Wyoming.

### 18. PROTECTION OF EMPLOYEES' REPRESENTATIVES AGAINST DISCRIMINATION

To protect against the possibility of unjust treatment because of any action taken or to be taken by him, any employees' representative believing himself to be discriminated against shall have the same right of appeal as is accorded every other employe.

## PART IV

### SOCIAL AND INDUSTRIAL BETTERMENT

#### 1. EXECUTIVE SUPERVISION

A Vice-President or other executive officer, to be known as the Industrial Relations Executive, shall, on behalf of the President, supervise the administration of the Company's policies respecting social and industrial betterment, and the administration of the Joint Representation of Employees and Management and Procedure in Industrial Relations.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

### 2. CO-OPERATION OF VICE-PRESIDENT OR OTHER EXECUTIVE OFFICER WITH JOINT COMMITTEES IN CARRYING OUT POLICIES OF SOCIAL AND INDUSTRIAL BETTERMENT

The Industrial Relations Executive shall from time to time confer with the several joint committees as to improvements or changes likely to be of mutual advantage to the Company and its employees. Members of the several joint committees shall be at liberty to communicate at any time with the Industrial Relations Executive, as well as with the President's Industrial Representative, with respect to matters under their observation or brought to their attention by employees or officials of the Company, which they believe should be looked into or changed. As far as may be possible, employees should be made to feel that the Industrial Relations Executive will welcome conferences with members of the several joint committees on matters of concern to the employees whenever such matters have a direct bearing on the industrial, social and moral well-being of employees and their families or the communities in which they reside.

### 3. ADVISORY BOARD ON SOCIAL AND INDUSTRIAL BETTERMENT

In addition to consulting, from time to time, the several joint committees or their individual members, the Industrial Relations Executive shall be the chairman of a permanent Advisory Board on Social and Industrial Betterment, to which may be referred questions of policy respecting social and industrial betterment and related matters requiring executive action.

### 4. MEMBERS OF ADVISORY BOARD

The Advisory Board on Social and Industrial Betterment shall be composed of such of the Company's officers as the President may designate.

### 5. REGULAR AND SPECIAL MEETINGS OF ADVISORY BOARD

The Advisory Board shall meet at least once in every six months, and may convene for special meetings upon the call of the chairman whenever he may deem a special meeting advisable.

## CONSOLIDATED PLAN OF REPRESENTATION

### 6. POWERS AND DUTIES OF THE ADVISORY BOARD

The Advisory Board shall have power to consider all matters referred to it by the chairman, or any of its members, or by any committee or organization directly or indirectly connected with the Company, and may make such recommendations to the President as in its opinion are in the interest of the Company and its employees.

### 7. SUPERVISION OF COMMUNITY NEEDS BY INDUSTRIAL RELATIONS EXECUTIVE

The Industrial Relations Executive shall also co-operate in matters pertaining to the sanitary, medical, educational, religious, social and other like needs of the different communities related to the operating properties of the Company, with a view to seeing that such needs are suitably and adequately provided for, and the several activities pertaining thereto harmoniously conducted.

### 8. METHOD OF CARRYING OUT IMPROVEMENTS

Improvements respecting social and industrial betterment shall, after approval by the President, be carried out through the regular Company organization.

### 9. MEDICAL DEPARTMENT--DOCTORS

In making any new arrangement for a doctor at a camp or dispensary, the chief medical officer and the Industrial Relations Executive shall select the doctor and enter into an agreement with him, subject to approval by the Joint Committee on Sanitation, Health and Housing at the steel works and of the local employes' representatives at the mines and quarries.

### 10. COMPANY PERIODICAL

The Company shall publish, under the direction of the Industrial Relations Executive, a periodical which shall be a means of communication between the management, the employes and the public, concerning the policies and activities of the Company. This periodical shall be used as a means of co-ordinating, harmonizing and furthering the social and industrial betterment work, and of informing employes of the personnel and proceedings of conferences, boards and committees, in which they are interested. It shall record events

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

pertaining to social and industrial activities, and be a medium for making announcements with reference to the same, and for diffusing information of mutual interest to the Company and its employees.

### 11. COST OF ADMINISTERING JOINT REPRESENTATION AND OF FURTHERING SOCIAL AND INDUSTRIAL BETTERMENT POLICIES

The promotion of harmony and good will between the Company and its employees and the furtherance of the well-being of employees and their families and the communities in which they reside being essential to the successful operation of the Company's industries in an enlightened and profitable manner, the expenses necessarily incidental to the carrying out of the social and industrial betterment policies herein described, and the joint representation and joint conferences herein set forth, including the payment of expenses of employees' representatives when attending joint conferences and annual joint meetings, and their reimbursement for the working time necessarily lost in so doing, shall be borne by the Company. But nothing herein shall preclude employees of the Company from making, in lieu of payment by the Company or in addition to it, such payment to their representatives in consideration of services rendered on their behalf as they themselves may voluntarily desire and agree to make.

### 12. PROVISION FOR AMENDMENT

This agreement of Joint Representation of Employees and Management may be altered or amended by majority vote of the regularly elected representatives of the employees and a majority vote of the representatives of the management appointed for such purpose in any joint meeting of all representatives of the employees and management regularly called, upon at least a thirty days' notice.

[The Memorandum of Agreement Respecting Employment, Living and Working Conditions which is printed in Appendix A, pages 251 to 256, is also appended to the original of this consolidated form of the Plan of Representation. B. M. S.]



# APPENDIX C

## AGREEMENT

BETWEEN THE COLORADO & WYOMING RAILWAY COMPANY AND ITS ENGINEERS, FIREMEN, HOSTLERS, CONDUCTORS, BRAKEMEN AND YARDMEN

EFFECTIVE DECEMBER 12TH, 1918

### ARTICLE I. RATES OF PAY

	Engineers	Firemen	Conductor or Foreman		Brakeman or Switchman	
			Day	Night	Day	Night
Northern Division:						
Road or Yard Service	\$6.50	\$5.20	..	\$6.50	..	\$5.20
Steam Shovel Service	6.12	4.77	..	5.20	..	4.96
Southern Division	6.50	5.20	..	6.50	..	5.20
Middle Division:						
1,100 and 5						
Classes	5.52	3.84	\$5.20	5.36	\$4.96	5.12
1,000 Classes	5.36	3.76	5.20	5.36	4.96	5.12
Blast Furnace Service	6.44	4.12		..	4.72	4.40
600, 800 and 900						
Class	4.72	..		..	..	5.88
900 Class	4.72	..		..	..	3.80
300, 400 and 500						
Class	4.48	..		..	..	3.88

## EMPLOYES' REPRESENTATION IN STEEL WORKS

### ARTICLE 2

On all parts of the system, 100 miles or less, eight hours or less shall constitute a day in all classes of road service, time to begin when required to report for duty on initial trip and end upon being relieved at end of last trip. Miles in excess of 100 to be paid pro rata. For all time in excess of eight hours, time and one-half time will be allowed, actual minutes to be counted. Crews will be allowed thirty minutes for lunch between four and one-half and six hours after starting work without deduction in pay.

### ARTICLE 3. SWITCHING SERVICE

SEC. 1. Eight hours or less shall constitute a day, and for all time in excess of eight hours, time and one-half time will be allowed, actual minutes to be counted. Time to begin when required to report for duty and to end at time crew is released.

SEC. 2. Regular assigned yard crews will each have a fixed starting time and the starting time of a crew will not be changed without at least forty-eight hours' advance notice.

SEC. 3. Where three eight-hour shifts are worked in continuous service, the time for the first shift to begin work will be between 6.30 A. M. and 8.00 A. M.; the second [between] 2.30 P. M. and 4.00 P. M. and the third, [between] 10.30 P. M. and 12.00 midnight; except [for] the crew handling the ashes to the dump, which may go to work at 6.00 A. M.

SEC. 4. Where two eight-hour shifts are worked in continuous service, the first shift may be started during any one of the periods named in Section 3.

SEC. 5. Where two eight- or nine-hour shifts are worked not in continuous service the time for the first shift to begin work will be between the hours of 6.30 A. M. and 10.00 A. M. and the second not later than 10.00 P. M.; except that the crew handling ashes to the dump and the crews serving the converter may go to work at 6.00 A. M.

SEC. 6. Where the ten-hour shifts are worked the time to begin work will be 7.00 A. M. and 7.00 P. M. respectively; except [for] the crew handling ashes to the dump, which may go to work at 6.00 A. M.

## AGREEMENT BETWEEN RAILWAY AND EMPLOYES

SEC. 7. Yard crews will be assigned for a fixed period of time per day, not to exceed ten hours.

SEC. 8. All crews starting to work at other time than between the hours of 6.30 A. M. and 10.00 A. M. will be paid night rates; except the ash run which may commence work at 6.00 A. M. at the day rate.

SEC. 9. Yardmen required to perform other than their regular duties shall receive the established rates for such service, but in no case will they receive less than yard rates.

SEC. 10. The crew in regular yard switching service on the Middle Division shall, as in the past, consist of one engineer, one fireman, one foreman and two helpers.

SEC. 11. Yardmen will not be compelled to work with an engine that is not properly equipped with foot-boards, grab-irons, headlights and automatic couplers, nor with engines that blow steam so as to obstruct the observation of signals; except that automatic couplers shall not be required on dinkey engine, and headlights shall be required on dinkey engines only where recommended by the Safety and Accident Committee.

SEC. 12. Yard crews where the hours of work are limited to eight will be allowed twenty minutes for lunch between four and one-half and six hours after starting work without deduction in pay.

SEC. 13. Yard crews employed in nine or more hour assignments will be allowed thirty minutes for lunch between four and one-half and six hours after starting work without deduction in pay.

SEC. 14. The promotion of yardmen will be according to seniority and ability. Any yardman refusing promotion to the position of foreman will thereafter rank as junior to the man or men promoted ahead of him, except that he will retain his seniority standing as a helper. Senior men will have preference to the work of their choice. Any yardman not promoted or failing to qualify for promotion will be promptly advised in writing by the general yardmaster the reason therefor and if not satisfied with the decision, appeal may be taken through his representatives to higher officers of the company, if filed within sixty days.

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

### ARTICLE 4. HOSTLERS

SEC. 1. The rate of pay for hostlers will be \$4.84 per day for eight hours or less and for all time in excess of eight hours, time and one-half time will be allowed, actual minutes to be counted.

SEC. 2. On eight-hour positions hostlers will be allowed twenty minutes, and on nine or more hour positions thirty minutes for lunch between four and one-half and six hours after starting work with no deduction in pay or time therefor.

SEC. 3. All hostling positions shall be filled by engineers or firemen.

### ARTICLE 5

SEC. 1. Where two or more different types of engines are used during the day, the highest rate applicable to any engine used shall be paid for the entire day.

SEC. 2. Engines will be maintained in reasonable condition of repair and cleanliness by the shop forces, but this provision shall not relieve enginemmen from making minor adjustments or repairs in defects occurring during the period of work. This proviso, however, shall not include such adjustments or repairs as require taking the engine to the shop. Shop or round-house forces will see that all necessary equipment is placed on all engines. This includes a supply of fire tools, fuel water and oil when the engines leave the round-house or shop.

SEC. 3. All engines will be furnished with seats, arm-rests, clothes boxes, side and back curtains, buckets, brooms, cushions, awnings over windows, squirt hose and water coolers, and ice will be furnished from April 1st to October 1st. All boiler heads will be covered with lagging to protect men from the heat.

SEC. 4. Firemen shall be relieved of all cleaning of engines. Firemen will be placed on all 1,200 class of engines, if they are continued in use, but not on other engines where firemen are not now employed.

### ARTICLE 6

When men are called and not used they shall receive one-half day's pay at the rate applicable to the service called for. If held more than four hours will receive one day's pay.

# AGREEMENT BETWEEN RAILWAY AND EMPLOYES

## ARTICLE 7

When time is not allowed as claimed, the claim will be corrected and the employe concerned will be notified accordingly, stating reasons for correction.

## ARTICLE 8

SEC. 1. All new or vacant positions will be bulletined for five days for seniority choice. Rights to positions shall be governed by seniority of their respective districts.

SEC. 2. Any position open for ten days will be considered vacant and subject to bulletin.

SEC. 3. Extra men will be run first in, first out.

SEC. 4. Men disabled in the Company's service will be given preference in filling vacancies as switch tenders, signal operators, tower men and crossing flagmen.

## ARTICLE 9

SEC. 1. The Northern, Middle and Southern Divisions will each constitute a separate seniority district. The Middle District will also include the men employed on the blast furnace and narrow gauge engines.

SEC. 2. The Company will post on all bulletin boards and in addition thereto will furnish semi-annually to each representative complete seniority lists, subject to correction if protested within sixty days.

## ARTICLE 10

SEC. 1. Firemen shall rank on a firemen's roster from the date of their first service as firemen when called for such service, and when qualified shall be promoted to positions as engineers in accordance with the following rules:

SEC. 2. Firemen shall be examined for promotion according to seniority of the Firemen's Roster; and those passing the required examination shall be given certificates of qualification, and when promoted shall hold their same relative standing in the service to which assigned.

SEC. 3. If for any reason the senior eligible firemen are not available and a junior qualified fireman is promoted and used

## EMPLOYEES' REPRESENTATION IN STEEL WORKS

in actual service out of his turn, whatever standing the junior fireman so used establishes shall go to the credit of the senior eligible firemen. As soon as the senior fireman is available he shall displace the junior fireman who shall drop back into whatever place he would have held had the senior fireman been available and the junior fireman not used.

SEC. 4. As soon as a fireman is promoted he will be notified in writing by the proper official of the Company of the date of his promotion, and unless he files a written protest within sixty days against such date he cannot thereafter have it changed. When a date of promotion has been established in accordance with regulations, such date shall be posted and if not challenged in writing within sixty days after such posting, no protest against such date shall afterwards be heard.

SEC. 5. No fireman shall be deprived of his rights to examination nor to promotion in accordance with his relative standing on the fireman's roster, because of any failure to take his examination by reason of the requirements of the company's service, by sickness, or by other proper leave of absence; provided, that upon his return he shall be immediately called and required to take examination and accept proper assignment.

SEC. 6. The posting of notice of seniority rank, as per Section (4) shall be done within ten days following the date of promotion, and such notice shall be posted on every bulletin board of the seniority district on which the man holds rank.

SEC. 7. Firemen having successfully passed the qualifying examination shall be eligible as engineers. Promotion and the establishment of a seniority date as engineer, as provided herein, shall date from the first service as engineer, when called for such service.

SEC. 8. For every two firemen promoted one engineer may be employed.

SEC. 9. The seniority date of a hired engineer shall be the date of his first service as engineer.

## ARTICLE II

SEC. 1. When the business of the Company will permit, men shall be granted a leave of absence for a period not to



## AGREEMENT BETWEEN RAILWAY AND EMPLOYES

exceed ninety days and will hold their rights on the lists during such leave of absence.

SEC. 2. Men out of service on account of sickness or injury shall hold their rights on the lists.

SEC. 3. When men are laid off on account of reduction of forces they will hold their seniority rights, provided they return to work within thirty days after being notified that their services are required.

SEC. 4. Employes leaving the service of the Company will be furnished with a service letter or clearance stating term of service, capacity in which employed and the reason for leaving.

### ARTICLE 12

SEC. 1. No man will be discharged until he has had a fair and impartial hearing before the proper officials. During such hearing he may be assisted by an employe of his choice. When decision is rendered if accused believes it unjust he may take up his case on appeal to the highest authority through his representative or in person. Hearings will be held within five days.

SEC. 2. If a man is suspended or discharged, and charge is not sustained, he shall be reinstated and paid for all time lost on such account.

SEC. 3. No man will be dismissed on account of unsatisfactory references after sixty days from date of employment.

SEC. 4. Men shall not be discriminated against on account of membership in, or affiliation with, any labor organization or for serving on committees.

### ARTICLE 13

Any question of interpretation of this schedule which may arise will be adjusted by the officials and the representatives making same.

### ARTICLE 14

The foregoing rates of pay, rules and regulations herein set forth constitute an agreement between The Colorado & Wyoming Railway Company and its Engineers, Firemen, Hostlers, Conductors, Brakemen and Yardmen, and will

## EMPLOYES' REPRESENTATION IN STEEL WORKS

take effect December 12th, 1918, and remain in effect until either side shall give to the other thirty days' notice of change or changes desired.

For the Colorado & Wyoming Railway Company

(Signed)

J. F. WELBORN,

President.

For the Engineers, Firemen, Hostlers, Conductors, Brakemen and Yardmen

(Signed)

C. E. GACHNAT	T. J. HICKEY	APPROVED: C. V. McLAUGHLIN,
L. VAN ZANDT	J. W. DAVIS	Vice-President, Brotherhood
A. V. SERFLING	O. S. EMERSON	of Locomotive Firemen and
		Enginemen.

GEO. H. DAY,

Acting Vice-President, Brotherhood of Railroad Trainmen.

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